

HEARING TRANSCRIPT

POSTSECONDARY INSTITUTION RATINGS SYSTEM

PIRS

ADVISORY COMMITTEE ON
STUDENT FINANCIAL ASSISTANCE

WASHINGTON DC

SEPTEMBER 2014

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**ADVISING CONGRESS AND THE
SECRETARY OF EDUCATION**

—Since 1988—

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The Advisory Committee on Student Financial Assistance (Advisory Committee) is a Federal advisory committee chartered by Congress, operating under the Federal Advisory Committee Act (FACA); 5 U.S.C., App.2). The Advisory Committee provides advice to the Secretary of the U.S. Department of Education on student financial aid policy. The findings and recommendations of the Advisory Committee do not represent the views of the Agency, and this document does not represent information approved or disseminated by the Department of Education.

EXECUTIVE SUMMARY

In August 2013, President Obama announced an initiative to make colleges more affordable and valuable for students and families. The plan involved creating a ratings system to identify institutions that provide the best value based upon measures such as access, affordability, and outcomes. The ratings would allow comparison of institutions with similar missions to identify those that improved their performance and helped underrepresented or disadvantaged students.

In December 2013, the U.S. Department of Education (ED) published a Request for Information (RFI) in the Federal Register to gather expertise on the proposed ratings system – referred to as the Postsecondary Institution Ratings System (PIRS). The Department was primarily interested in the following areas associated with the proposed rating system:

- Data Elements, Metrics, and Collection
- Weighting or Scoring
- Development of Comparison Groups
- Presentation of Ratings Information
- Existing Ratings Systems
- Consumer Information vs. Accountability Systems

While respondents commended the Department's desire to address problems in the postsecondary education system, many questions were raised about how PIRS would be designed – issues that were also raised in other venues: ED's Open Forums on College Value and Affordability, ED's PIRS Symposium, and a forum held by the Association of Public and Land-grant Universities.

To help address these questions and ensure that PIRS fulfills its objectives, the Advisory Committee held its Summer 2014 Hearing on September 12th at Trinity Washington University in Washington DC. The hearing provided an opportunity for members of the public to offer strategies and techniques for designing the system in a manner that achieves objectives while minimizing unintended effects. Given its legislative charge, the Advisory Committee was especially interested in how the ratings system might be designed to minimize unintended negative effects on low-income students.

Testimony at the hearing further illuminated ED's areas of interest. Panelists utilized their expertise in various areas of the higher education community to provide ED with recommendations on the best ways to proceed with PIRS given the information available. The full transcript of this hearing, a modified version of which comprises the body of this report, reveals a wealth of information for policymakers to consider in the creation of a ratings system.

Later this fall, ED plans to release a draft of the ratings system, also known as PIRS version 1.0, for feedback from the higher education community. The Committee hopes that this transcript will be useful in creating the draft system.

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ACKNOWLEDGMENTS

The Advisory Committee thanks representatives from the higher education community for their invaluable contributions regarding the strategies and techniques for designing PIRS in a manner that achieves objectives while minimizing unintended effects.

In addition to the 21 participants (Exhibit One) whose testimony at the Advisory Committee's Summer 2014 Hearing is provided in the following transcript, the Committee thanks all the individuals and organizations who provided written submissions for the hearing (available at the following link: <http://www2.ed.gov/about/bdscomm/list/acsfa/pirssubmissions.pdf>).

We would also like to thank our consultant, Tod Massa, and former staff members, Anthony Jones and Elizabeth Kurban, for their support and counsel. Lastly, we thank our Designated Federal Official (DFO), Carney McCullough, for her dedication and service to the Committee.

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ACSFA SUMMER 2014 HEARING: POSTSECONDARY INSTITUTION RATINGS SYSTEM

Maria Harper-Marinick (ACSFA Chair): Good morning, everyone. My name is Maria Harper-Marinick. I am the Executive Vice Chancellor and Provost for the Maricopa Community College System in Phoenix, Arizona. I have the honor of serving as Chair of the Advisory Committee on Student Financial Assistance. We thank all of you for being here, and welcome you to the Committee's Summer 2014 Hearing.

In August 2013, President Obama announced an initiative to make colleges more affordable and valuable for students and their families.¹ The plan involved creating a ratings system to identify institutions that provide the best value based upon measures such as access, affordability, and outcomes. The ratings would allow a comparison of institutions with similar missions to identify those that improved their performance and helped underrepresented and disadvantaged students.

In December 2013, the U.S. Department of Education published a Request for Information in the Federal Register to gather expertise on the proposed ratings system, referred to as the Postsecondary Institution Ratings System (PIRS).² While respondents commended the Department's desire to address problems in the postsecondary education system, many questions have been raised about how PIRS would be designed, issues that were also raised in other venues, such as the Department of Education's Open Forums on College Value and Affordability,³ the Department's PIRS Symposium,⁴ and a forum held by the Association of Public and Land-grant Universities.⁵

To help address these questions and ensure that PIRS fulfills its objectives, the Advisory Committee is hosting this hearing today to provide an opportunity for members of the public to offer strategies and techniques for designing the system in a manner that achieves objectives while minimizing unintended effects. Given its legislative charge, the Advisory Committee is especially interested in how the ratings system might be designed to minimize unintended negative effects on low-income students.

I would like to remind everyone that the purpose of the hearing is to allow members of the public to speak on the ratings system, and not for the Committee to make any decisions today or draw any conclusions. A transcript of the hearing will form the basis for the Advisory Committee's sixth annual report to Congress and the Secretary of Education. Written submissions will also be included as an addendum to the transcript.⁶ The Advisory Committee hopes this report will be of assistance in the ongoing development of the system and hopes to remain a part of the conversation going forward.

Let me explain to everyone the structure for the day. We will have four panels, two in the morning and two in the afternoon, and each panel has five individuals who previously requested the opportunity to speak about the topic. We have allowed about seven minutes to each panelist. After all the panelists have given their testimony, then there will be time for Committee members to ask questions of the panel.

Before we get started, let me introduce my colleagues on the Advisory Committee. If you want to read comprehensive biographies, they're all posted on the Committee website.

- **Ms. Roberta Johnson**, Vice Chair of the Committee, is the Director of Student Financial Aid at Iowa State University.
- **Dr. Andrew Gillen** is a Senior Researcher in the Education program at the American Institutes for Research.

- **Dr. Frederick Hurst** is the Senior Vice President for Extended Campuses at Northern Arizona University.
- **Ms. Patricia McGuire** is the President at Trinity Washington University, where we are, and we appreciate you hosting us today, Pat.
- **Dr. Michael Poliakoff** is Vice President of Policy at the American Council of Trustees and Alumni.
- **Ms. Deborah Stanley** is the Director of Financial Aid Services at Howard Community College in Maryland.
- **Ms. Sharon Wurm** is the Director of Financial Aid, Scholarships, Student Employment and Veterans Services at Truckee Meadows Community College in Nevada.
- **Ms. Tiffany Taylor**, a Bill & Melinda Gates Foundation Graduate Fellow at Columbia University, is the student member of the Committee. Ms. Taylor is not able to be with us today.
- **Ms. Carney McCullough**, Director of the Policy Development Group in Policy, Planning and Innovation at the Department of Education's Office of Postsecondary Education, is the Committee's Designated Federal Official. We appreciate her support and presence here today.

At this point, we'll get the morning session officially started. I will turn the floor over to Roberta Johnson, Vice Chair, who will introduce our special guest speaker for the morning.

Roberta Johnson (ACSFA Vice Chair): Thank you, Maria, and thank you all for being here. To begin this hearing, I'm pleased to introduce Deputy Under Secretary of Education, Jamiene Studley. Ms. Studley has been the Deputy Under Secretary of Education since September 26th of 2013. Prior to her most recent appointment, Ms. Studley worked in many sectors of the higher education field. She served as deputy and acting general counsel of the Department of Education, President of Skidmore College, and Associate Dean and Lecturer in Law at Yale Law School.

The Advisory Committee is honored to have Ms. Studley here with us today. Please join me in welcoming Deputy Under Secretary, Jamiene Studley.

(Bio can be found in Appendix A)

Jamiene Studley (Deputy Under Secretary of Education): Hello. Thank you very much. It's a pleasure to be here, and I thank the Advisory Committee for this opportunity to be part of your hearing and of the development of your recommendations. Thank you also to our host, Trinity Washington University and President McGuire. It's a special treat to be back at Trinity.

In August 2013, President Obama outlined an ambitious cradle-to-career agenda. It had three parts, of which the ratings are only one, so I'd like to remind you of its focus on rising college costs, making debt more manageable, and improving the value of education so that students and the nation can achieve our goals of growth, opportunity, and economic strength. The President's "North Star" goal is to regain our global leadership in college completion – work that you're addressing in your Advisory Committee's activities as well – to secure the best-educated, most competitive workforce that we can, and to advance civic values and a thriving democracy.

We've reached some very notable milestones in our postsecondary agenda already. High school graduation is at its highest point, and college enrollment is up, especially for Latino and African American students, thanks in part to substantial Pell increases and other historic federal investments in access, affordability, quality, and completion. And we're seeing progress and innovation on campuses as well to advance access, affordability, and successful student outcomes.

But at the same time, we all know that costs are surging in ways that would keep these same students from securing the very things that will advance their futures. Too many families fear that college is out of reach, or make decisions that are not in their or the nation's best long-term interest. Too many who enroll aren't ready or don't complete. Some schools are doing a great job in increasing access, others are not. So college costs and student debt are rising, and many borrowers feel overwhelmed trying to pay their loans. Too many states have disinvested from higher education, and families and the federal government are struggling to pick up the slack. Far too many students and families wonder if college is worth it, not a question we want people to be asking. In short, the status quo isn't working when it comes to helping all students afford and complete college.

Students also say they want more from us. They want to know before they go which colleges provide good value for the investment. Values are a complicated equation, but many of them in education mean values that will serve their long-term needs, from lifelong learning to the ability to get and keep a job with meaningful opportunities. And we currently award billions of dollars in precious taxpayer funds in the form of student aid, based only on enrollment and head count.

We believe it's time to do better than that. We can showcase colleges and universities that are effective in improving student success, help them benchmark to accelerate progress, and create incentives for schools to move toward the most important goals, especially graduating low-income students and holding down the cost of college.

Even while the ratings system is still very much on the drawing board, the President's announcement and the ensuing discussions are helping improve and deepen the national discussion about college performance, by moving our focus to better questions. Foremost among those better questions are: what institutions are successfully contributing to affordable college completion with a meaningful education for students with the lowest incomes and the least historic opportunity? What practices and investments lead to those positive results? How can colleges improve their student success?

Now it is our task to design selected indicators to answer those important questions, and to make it easier for students to choose colleges that provide solid outcomes at manageable prices for people of their income, and to let colleges benchmark against each other with comparable populations. What schools help disadvantaged students succeed? If schools cannot deliver good results or show that they're getting better, wouldn't it be good for students to know that? And eventually, once we have a system in which we have confidence, wouldn't it make sense to propose to Congress how to target the \$150 billion in precious taxpayer funds that we spend on student aid to institutions that are providing good education and financial value to students and to the nation?

The question is no longer *whether* to rate. Colleges and universities are rated all the time. Right now it seems as though new ratings come out daily or hourly, from research productivity, wealth, cost, or campus beauty, to Nobel Prize winners, parties, or athletic performance. We have a wonderful handy Institute for Higher Education Policy (IHEP) chart that tries to summarize some of the latest.⁷

So why in the midst of all these ratings should the federal government weigh in at all? First, because it is both our goal and our responsibility to measure institutions on factors that really matter to the country, like colleges' success in graduating low-income and first-generation students with degrees that lead to

real opportunities. We have the opportunity and the obligation to put measures like completion and access front and center, instead of ratings that rely on a school's wealth, reputation, or how many people it rejects, and to complement those that cover only a narrow band of schools. Second, we should rate because we will look at a wide swath of institutions of different types. And third, because the federal government is accountable for taxpayers' investments.

President Obama said that what we want to do is rate them on who's offering the best value, so students and taxpayers get a bigger bang for their buck. To do this well, to identify key questions and wise perspectives, the President and Secretary Duncan asked us to consult widely. We have now met with more than 4,000 students, parents, college trustees, presidents, faculty, administrators, researchers, and policy analysts and advocates in more than 100 sessions across the country and received more than 450 comments – many of them very thoughtful and very constructive. We've reached out specifically to community colleges, minority-serving institutions, small private and rural colleges, and families with little college-going experience and the people who counsel them.

We understand that by doing a great deal of listening before we share a draft we have made ourselves as smart as possible, but we have also risked speculation and anxiety. So let me emphasize what we will and will not do. We will not rank schools, nor will we publish a numerical list. We aim to do something that identifies strength, identifies serious weakness, and identifies improvement. We will find the best possible data to tell a clear and helpful story about access, affordability, and outcomes. We will do our very best to make fair comparisons amongst schools, recognizing crucial differences. President Walter Kimbrough and I have both analogized to the degree of difficulty concept in competitive diving and the importance of recognizing institutions that take on the most difficult educational challenges.

We will be extremely careful about incentives. In particular, we mean to be careful that ratings don't deter schools from accepting low-income students and, indeed, that the ratings operate positively to promote access to affordable schools with good outcomes. And we will do our level best to anticipate the potential for gaming and minimize it as much as humanly possible. An optimal measurement system should drive effort and competition in the direction of increasing the things we want: access and quality completions.

We know well that postgraduate earnings are complicated and do not capture the sum of educational value. The ratings system isn't intended to capture all the benefits of a college education, like academic success, civic engagement, critical thinking, and problem solving skills, or a tendency toward lifelong learning. And we're sensitive to the dangers of a system that would favor highly paid work over public service or over further education that would risk ignoring program, regional, rural, urban, racial, or gendered earnings differences, or dismiss other less tangible values. All of those points have been made in many of our hearings and conversations, and we're very attentive to avoiding the risks that people have identified in those regards.

And we look at the same time to higher education and others to help us think about how we can complement ratings with the educational side of the picture. Even if we don't have a metric for something, it may be that we have an opportunity or responsibility to point people toward important questions, like – how would you know what students learn and are able to do? How does this institution want to convey to you what its thoughts are on that subject? Or how civic learning and engagement fit in? And an especially relevant question today on the 20th anniversary of AmeriCorps,⁸ how can those goals, results, and differences be explained?

I for one, in terms of things we are doing and will not be doing – this is personal, but I privately am looking for a better name than PIRS, which was adopted as a label for our very technical information request, but we have already had some suggestions for something that might be clearer and more attractive.

Through all this, we have heard support and willingness to keep an open mind about the potential for ratings from many quarters across the country. Many state institutions are increasingly familiar with performance-based systems through their state work, and they're very comfortable with this kind of measurement. Public institutions now enroll over 70 percent of our students. From Texas to Ohio to New York, there are those who say this is the right thing to do and hope that it will help spotlight areas in which access, affordability, and outcomes are strong, but overall value is underrepresented by some of the existing measures.

Many people, and this includes a lot of education leaders, are frustrated by existing systems that reward the wrong things and do, in fact, distort incentives. Some of you have seen me quoted in saying that we can do better than quantifying just wealth, reputation, and rejection. We're building on a number of very constructive voluntary and other systems that move in the same directions that we are hoping to go, and that are already exploring application of some of the principles that we are working on. There are voluntary systems, like the Student Achievement Measure (SAM)⁹ and the University and College Accountability Network (U-CAN),¹⁰ that we think help us understand how this work can be done.

We are talking to groups that counsel low-income students and their families and have found them particularly excited about the potential for ratings that lead to wiser choices on the public information side of this project. Colleges that prioritize enrolling and graduating low-income and other disadvantaged students have a very special place in our country, and we will design this system sensibly and constructively to reward colleges that do the most to help students from disadvantaged backgrounds as well as colleges that are improving.

I want to be clear also that we are working in many other ways in concert with institutions, states, associations, communities, and others to achieve the higher education outcomes that we think will best serve our nation and our students. Ratings do not come forward in a vacuum.

So I'd like to close with a quick overview of some of the range of other activities that we are engaged in across a realm of policy and programmatic interventions that can help advance the same goals of affordable, high quality postsecondary education. We are of course continuing our audit, investigation, and enforcement efforts to deal with situations that involve serious deficiencies. We are working to promulgate gainful employment regulations that, for programs covered by those rules, will ask some of the same questions about outcomes and performance. We are engaged with experiments like ex-sites, regulatory changes, and ultimately legislative changes to facilitate such things as competency-based education, prior learning assessment, and new financial aid delivery models that move in the same direction.

We are working on improvements in developmental education, formerly known as remediation, college counseling, and other ways to make the path from high school to college smoother and more successful. We have brought together a number of communities that want to work in partnership across K-12, higher education, business, nonprofits, and local government to set and achieve ambitious college completion goals on a community-wide basis. We have examples like Long Beach and Dayton and many others who are doing that kind of work very successfully.

We're collaborating with accreditors to assure consistently high standards and to strengthen the peer-improvement portion of the accreditation system. The bottom line: the ratings system is one important component of a compelling vision to improve quality, transparency, accountability, and ultimately, equity. The public should know how students fare at institutions that receive federal student aid, and this performance should be considered when we assess our national investments and set priorities.

We're determined to arrive at something that reflects the diversity and complexity of our nation's rich higher education system, and is at the same time clear, direct, and useful. Once we release our draft model, I have two hopes. First, that people like you and the people who are testifying this afternoon, who care and think deeply about educational opportunity and quality, will find that we have listened and responded thoughtfully to your suggestions and concerns. And second, as Secretary Duncan has urged, that you and other stakeholders will help us. In order to achieve that goal, we need you to continue to be candid and constructive. We thank you all for your expertise and insights. I'm including everybody who's speaking here later today.

I plan to be back this afternoon, although I can't stay straight through the morning. I'll be joined by Department of Education colleagues, Roger Nozaki and Blake Harden, through the course of the day, so that we can hear all of your comments and the Committee's questions. We are well aware of the challenges involved in developing a tool that truly helps students and families and helps our nation make smart investments, even as it strengthens our quality institutions and our diverse higher education sector. Some of you have heard me say this before; this is complicated, nuanced work. We believe it will make a measurable positive difference. We are listening. Together we can get this right. Thank you very much to all of you.

Maria Harper-Marinick: Thank you so much for your comments and being with us today. And we welcome you back in the afternoon.

Panel I

Maria Harper-Marinick: We now invite our panelists to come forward to the table as I introduce you.

- Ms. Carrie Warick
- Dr. Robert Kelchen
- Ms. Carrie Billy (see Panel II)
- Mr. Ben Miller
- Mr. David Baime

(Panelist bios can be found in Appendix A)

We welcome all of you and appreciate that you're taking the time to be with us. As a reminder, we have allowed each of you seven minutes for comments. At the completion of all the comments, I will ask the Advisory Committee members for questions for the panelists. Also, we ask that all panelists please state their name and affiliation for the record. Thank you.

We're going to start with Ms. Warick, please.

Carrie Warick: Good morning. My name is Carrie Warick, and I'm with the National College Access Network. Thank you for this opportunity to comment on the Postsecondary Institution Ratings System development. My organization, the National College Access Network (NCAN), and its over 400 members and affiliates work in communities across the country to help students to and through college. Our students are mostly low-income and the first in their families to attend college.

Even before the President called for a ratings system, there was a growing conversation within the higher education data community around what data were needed, for whom, and for what purposes. We support the creation of a college ratings system because as a country, we need to help students make choices that support success. As this conversation has evolved over the past year, much time has been spent on data availability and fairness to colleges. But not enough time has been spent discussing the first, and to us the most important, goal of the ratings system, "to identify colleges providing the best value" to students.

College students, less than 20 percent of who are first-time, full-time students living on campus, need to be able to answer the most important question of: where will a student like me succeed? Our recommendation is to define value not by a salary to tuition return on investment, or one specific number/letter/star rating, but rather whether or not an institution is accessible, affordable, and gives the student a legitimate chance of earning a degree.

College choice matters. Institutions have wide-ranging outcomes for the same profile of student, as evidenced in the Education Trust's College Results Online tool.¹¹ That is, colleges with similar resources, similar enrollments regarding academic achievement, and/or similar racial compositions could have very different outcomes or graduation rates, sometimes by as much as 20 percentage points. Today's students are in need of the right information to help them make decisions about attending a school that best matches their academic qualifications and provides the best environment to support ultimate completion. Students who fail to do so are less likely to graduate.

Prospective students need a ratings, not a rankings, system to compare peer institutions across multiple factors, similar to using a ratings system like *Consumer Reports*.¹² In previous PIRS conversations, many commenters took for granted that the ratings system would levy a *single* rating on institutions that would be comprised of a variety of characteristics, and ultimately could be turned into a ranked list. While a single rating may eventually be needed for the accountability goals of the President's proposal, the best way to serve consumers is to use *multiple* ratings. The tool used to present the information to students must be built specifically with students in mind. Once this tool is built, then using the same data, additional calculations can be created to address the accountability goals.

This student friendly ratings system should focus on what prospective students need to know about accessibility, affordability, and the possibility of success. The accessibility measures should focus on the ability of underrepresented students to access the institution. Measurements could include the percentage of Pell Grant recipients, rated based on the national average, and the percentage of various racial or ethnic groups, rated based on the state's demographic profile. Also to consider is the percentage of students who transfer out of the institution with upward transfer considered a positive outcome and lateral or downward transfer considered negative. The affordability measures should focus on net price and student debt. Measurements could include net price by income quintile, average student loan debt, the percentages of students with loans, and the ability of those students to repay their loans. The success measures should focus on students' ability to complete a degree or credential. Measurements could include overall graduation rate compared to the national average, graduation rates by race or ethnic group, and graduation rates of Pell Grant recipients.

Of these factors, what is the most important to one student is not necessarily the most important to another. For this reason, weighting the above measures and then giving one combined score does not best serve students. Instead, the Department of Education should take an approach similar to *Consumer Reports* and provide a rating for each category. These multidimensional ratings should be straightforward – not weighted or adjusted in anyway – so that consumers know exactly what they're looking at. The charts should then be sortable by the circumstances of a specific student. For example, filters would include location, academic fit, and institution type. For place-based students, distance from home is an important filter. All students must be able to create lists based on their GPA range and SAT or ACT score. And many students will want to filter based upon institution type, such as two-year, four-year, public or private, but it is paramount that students, especially place-based students, be able to compare across sectors.

The above data elements are mostly available, though they do need some improvement. The transfer rates and part-time status of students are coming to the Integrated Postsecondary Education Data System (IPEDS)¹³ soon and should be integrated without further delay. The Pell Grant recipient graduation rate is the most important piece of data currently missing from our field. A first step to address this was the addition of the Pell Grant status flag in the National Student Loan Data System (NSLDS).¹⁴ While it will take until 2017 for four-year graduation rates and through 2019 for six-year rates, it is a step in the right direction. Or, Congress could make the data instantly available by requiring institutions to report their Pell Grant recipient graduation rates to the U.S. Department of Education. Because colleges are already required to disclose this information to students, it should not add an additional burden to institutions.

We urge you not to let the perfect be the enemy of the good. The Department of Education's first priority should be the development of the above system that is targeted to consumers before a federal accountability system is considered. Students need a place to go to for accurate information that they can use to compare schools based on the characteristics most important to them. Developing this system is feasible, but not easy. Focusing specifically on the first part of the goal, the one that can most immediately serve students, should be in the forefront. Once this task is well on its way to completion,

then the Department can consider what additional adjustments are needed to create the additional layer of an accountability system for institutional financial aid eligibility.

NCAN looks forward to continuing this broad conversation about college affordability and metrics. We appreciate the opportunity to share comments and know that students will be its ultimate beneficiaries.

Maria Harper-Marinick: Thank you, Ms. Warick. Dr. Kelchen?

Robert Kelchen: Good morning, members of the Advisory Committee on Student Financial Assistance, Department of Education officials, and other guests. My name is Robert Kelchen, and I'm an Assistant Professor in the Department of Education Leadership, Management and Policy at Seton Hall University and the methodologist for *Washington Monthly* magazine's annual college rankings.¹⁵ All opinions expressed in this testimony are my own, and I thank the Committee for the opportunity to present.

I am focusing my testimony on PIRS as an accountability mechanism, as that appears to be the Administration's stated goal in developing ratings. A student-friendly rating tool can have value, but I am confident that third parties can use the Department's data to develop a better tool. The Department should not simultaneously develop a consumer-oriented ratings system, nor should they release a draft of PIRS without providing information about where colleges stand under the proposed system. I am also not taking an opinion on the utility of PIRS as an accountability measure, as the value of the system depends on details that have not yet been decided or released.

The Department has a limited number of potential choices for metrics in PIRS regarding access, affordability, and outcomes. While I will submit comments on a range of metrics for the record, I would briefly like to discuss earnings metrics today. In order to not harm colleges that educate large numbers of teachers, social workers, and others who have important but lower-salary jobs, I encourage the Department to adopt an earnings metric indexed to the federal poverty guideline. For example, the cutoff could be 150 percent of the federal poverty line for a family of two or roughly \$23,000 per year.¹⁶

There are a number of methodological choices that the Department must make in developing PIRS, and I focus on five in this testimony.

The first is whether to classify colleges into peer groups or not. While supporters of peer groups state it is necessary to do so in order to have more fair comparisons of similar colleges, I do not feel this is necessary in a well-designed accountability system. I suggest combining all four-year institutions into one group and then separating two-year institutions based on whether more associate's degrees or certificates were awarded, as this distinction affects graduation rates.

Second, instead of placing colleges into peer groups, some outcomes should be adjusted for inputs such as student characteristics, selectivity, and financial resources. This partially controls for important differences across colleges that are correlated with outcomes, providing an estimate of the college's "value-added" to students. But colleges should also be held to minimum outcome standards (for example, a 25 percent graduation rate) in addition to some minimum value-added standards.

The scoring system and the number of colleges in each rating tier are crucial to the potential feasibility and success of PIRS. A simple system with three or four carefully named tiers (no A-F grades, please) is sufficient to identify the lowest-performing and highest-performing colleges. I would suggest three tiers with the lowest 10 percent of colleges in the bottom tier, the middle 80 percent in the next tier, and the highest 10 percent in the top tier. While the scores all have error due to data limitations, focusing on the bottom 10 percent makes it unlikely that any college in the lowest tier has a true performance outside, say,

the bottom one-third of all colleges. Using multiple years of data will also help reduce randomness in the data. For example, I used three years of data in the *Washington Monthly* rankings.

Finally, the Department must carefully consider how to weight individual metrics in the overall score. While I would expect access, affordability, and outcomes to be equally weighted, the colleges in the top and bottom tier should not change much when different weights are used for each metric. If the Department finds the results are highly sensitive to model specifications, the utility of PIRS comes into question.

I conclude with three recommendations – two for the Department and one for the policy community. First, the Department must be willing to adjust ratings criteria as needed and accept feedback on the draft ratings from a wide variety of stakeholders. They must also start auditing IPEDS data from a random sample of colleges in order to make sure the data are accurate, as the implications of incorrectly- or falsely-reported data are substantial. Finally, the policy community needs to continue to push for better higher education data. The Student Achievement Measure project has the potential to improve graduation rate reporting, and overturning the federal ban on unit record data¹⁷ will greatly improve the Department's ability to accurately measure colleges' performance.

Thank you once again for the opportunity to present, and I look forward to answering any questions.

Maria Harper-Marinick: Thank you, Dr. Kelchen. Mr. Miller?

Ben Miller: Good morning. My name is Ben Miller. I'm a Senior Policy Analyst at the New America Foundation, and thank you very much for the opportunity to testify today. I think two things up front to point out. One, as you think about the goal of a ratings system, it really needs to be about changing behavior, and you can change behavior one of two ways. One is you present information to consumers who then make their decisions in different ways, which then indirectly puts the pressure on institutions to change because they're seeing a change in the students coming to them. The second is, you go to institutions directly, try to hold them accountable, and use that accountability to get them to change their behavior.

As you think about those goals, I think you have to think about how we're not talking about how to design a ratings system here. We're talking about how the Department of Education should design a ratings system. It's an important distinction because you want to think about the unique strengths and weaknesses that the Department of Education possesses as an executive agency that no else has. For those reasons, as I will explain throughout my testimony, I think the best use of a Department of Education ratings system is something focused on accountability, but solely for the lowest performing institutions largely determined by their performance with respect to federal student aid.

First, on the accountability versus consumer break down. The accountability relationship is one that the Department really already has with all institutions in this country. It is the only entity in this country that has an existing relationship with all 7,000 institutions that is direct and focused on oversight, making sure that data are reported, making sure the federal funds are used correctly, things of that nature.

The Department doesn't have that kind of unique relationship with consumers. In fact, you could argue it is actually a little bit more removed from the consumers than a number of other parties are; since by and large, when the Department first interacts with someone going to college, it occurs when they're filling out the Free Application for Federal Student Aid (FAFSA),¹⁸ at which point you could argue that it's too late in the game for them to really change their behavior. In addition, for a lot of people, the Department probably appears sort of like a faceless entity off in Washington. It would not have the same level of

gravitas to consumers as to institutions – if someone from the Department calls an institution, they have to listen.

Second, when you think about what a consumer system tells you, it really has to reflect, as Carrie was pointing out, the needs and desires of the consumers. What consumers want is not necessarily going to be aligned with broader public policy goals. A lot of students care about things like the geography of the campus; they care about class size; they care about things that don't necessarily matter from a broader public policy goal. The Department of Education has a strong reason to care about the demographic enrollment of colleges to make sure that prices are affordable, that aid practices are reasonable, things that the average consumer just doesn't care about beyond themselves. An accountability system presents a way to make a strong statement of your own values as dictated by the measures you choose, which is something the Department can do through an accountability system.

Finally, I would note that the notion that just giving data to consumers is going to have some sort of broad impact on behavior may very well be greatly overstated. There is some really good research that Nick Hillman from the University of Wisconsin just put out talking about “education deserts” and this notion that we assume that there's maximal choice opportunities for lots of people out there; but there are a lot of people for whom there's almost no institutions near them, and for other people, there may only be one or two. If you think that just giving people more data is going to change their choices, you really need to think more carefully about how many choices they very well might actually have.

If you think about an accountability system, then the next question is: who do you hold accountable? If you look at the way the Department operates now, it's very much about bright-line standards. Things like the cohort default rate (CDR),¹⁹ the 90/10 rate,²⁰ are really about saying, what is the minimum acceptable level of results we will tolerate and judging whether you fall above or below that. I think that sort of approach is probably better suited to this because you don't have to get as involved in complex methodological choices. You really have to make a stronger statement about, from a policy perspective, what's acceptable and what's not.

The other thing is, I think, at this point our data really aren't good enough to tell you who's at the top here. The federal government is not the state of Virginia where Tod Massa can pull up a spreadsheet that tells you umpteen different ways how students are succeeding. It's really limited in its cohorts and things like that. Even the data it does have may not be useful when you start getting into the top end of the spectrum. If you think about graduation rates, for example, if someone has a 75 percent graduation rate, they could very well be an excellent college, or they could just be awarding a ton of nine-month certificates. You just can't say at the top of the end of the spectrum that that's actually any good. And I would be very uncomfortable to label a college as definitively in the top tier without knowing for sure whether or not students are learning anything – of which we don't have broadly-based measures.

I think on the other end of the spectrum, things aren't quite as hard. Because at a certain level, if you have a 10 percent graduation rate and the 10 percent that graduate are learning something, does that matter? Because you're losing 90 percent along the way. Here, I think you would want to use multiple measures of graduation that try to take into account transfer, degrees per hundred full-time equivalent (FTE), and things of that nature.

Then I think the final question is, if you do accountability for the lowest tier, what data do you use? And again, if you think about the unique situation the Department has, it's in the federal student aid system. Because the Department's National Student Loan Data System is a robust database that has far more information on the performance of its federal aid programs than anyone else possesses. Right now, that database is untapped. It just really produces cohort default rates. But if you could think about getting much more creative with it to produce things that looked at actual loan repayment rates or some sort of

amortization rate to see if the loan that's actually being retired and what the long-term consequences are for students there, you could think about leveraging some of that information to generate earnings information.

I would reiterate what Robert said, that earnings really shouldn't be about what level you have compared to others. It really should be about whether you are producing graduates that are doing well enough that we're confident that they are not going to fall into the social safety net. And there, I think you really want to look at, essentially, are they out of poverty and nothing beyond that. I think once you've answered that question, the actual level of earnings received doesn't really matter.

Finally, when you think about the use of federal student aid, I think you have to take into account the utilization rate there as well. There's a big difference between a college where 10 percent are relying on loans and the results don't look great and a place where 80 percent are doing that and the results don't look great. I'll stop there. Thank you.

Maria Harper-Marinick: Thank you, Mr. Miller. David Baime?

David Baime: Good morning, members of the Advisory Committee. It's a pleasure to be here this morning. My name is David Baime, and I'm the Senior Vice President for Government Relations at the American Association of Community Colleges (AACC). The AACC represents about 90 percent of all the two-year public institutions across the country that predominantly award associate degrees.

Just to state up front, my association opposes a federal ratings system. The primary reason why was mentioned in passing by Ben Miller just a moment ago: the variables that the government will choose to evaluate institutions – insofar as they are viewed as being evaluative variables – reflect the priorities of the federal government. And community colleges – even though we're public institutions, and we're used to being regulated, and we're funded by public agencies – are very leery of a federal implicit or explicit set of priorities about what institutions should be looked at and how they should be conceived.

Now having said that, the primary emphasis of the PIRS as it has been articulated by the Administration is primarily for a consumer, student-oriented point of view. As a result, we think that most of the attention on this needs to look at how this might potentially benefit students. Let me say further that most community college students do not choose between a variety of institutions – this has already been mentioned this morning. The bulk of our students only apply to their local community college and no other colleges. At most, they are likely to perhaps look at a couple of other institutions in the region in which the college is located, rather than doing a broader canvass of community colleges across the country.

So, take two institutions that have roughly similar characteristics, Montgomery College located in suburban Maryland outside of Washington DC and Montgomery County Community College located outside of Philadelphia, north of that city. Those are institutions that have a lot of similar characteristics to them, but from a student point of view, the likelihood of a student who lives in Rockville, Maryland deciding to go to Montgomery County Community College outside of Philadelphia rather than Montgomery College located in that student's backyard is extremely unlikely.

For community colleges, we believe that the concept of a nationally-driven ratings system for consumers is largely, if not entirely, irrelevant. That is the basic point from which our college presidents look at the ratings system. Having said that, we think it is in fact very important that students receive certain information about the college that they choose to attend; however, they ultimately make that decision. To that regard, at least for community colleges, we believe that information about programs – individual programs and the results that are attendant upon that, both in terms of graduation rates and the earnings

that students receive subsequent to completing those programs – is extremely important and something that my association supports. Again, both in terms of graduation rates and the earnings that students accrue afterwards.

We also believe, related to that, that we need to have a national unit record data system. Obviously, as you all are aware, this is a very controversial issue in higher education. Different sectors and institutions have different perspectives about that. But what we have now is – to put it simply – a mess related to tracking and knowing how higher education is performing across the country, and how individual institutions are performing by virtue of the absence of the unit record data system. Community colleges do not know what institutions oftentimes their students subsequently enroll in. They do not know whether or not they graduate from those institutions. In the opinion of my organization, it is scandalous that consumers and the country as a whole do not have this very basic information about how the system is performing. We don't think we can get where we need to be as a country, where our colleges need to be in terms of data, without a unit record data system being established first.

One comment about the ratings system that was reassuring that the Deputy Under Secretary made a few moments ago relates to the fact that it has become clear that the Administration is not intending to do a *U.S. News and World Report*²¹ style one, two, three, four, five, and so on ratings and rankings of institutions, which our colleges again would find anathema. We think that this is a well-intentioned effort that's designed to tease out the variables that are most important in helping students make a good decision about the college that they're attending, rather than – as Ben Miller just mentioned – some type of an accountability system for all postsecondary education.

With that in mind, I would like to examine, and just mention very briefly, a few of the things that we think as an organization are the most important information pieces to be generated by the federal government and to be made public both for students as well as policy makers. First of all, the graduation rate. I mentioned a moment ago that we really do not have the ability, currently, in this country to track students throughout postsecondary education. Therefore, we do not have accurate graduation rates for institutions, certainly not for community colleges where so many students transfer.

The graduation rate needs to accommodate today's student, which is not the typical undergraduate 18- to 22-year-old dependent student of yore. The average community college student is age 29 and a solid fifth of our students – as the best of our colleges can currently gather – transferred to other institutions. All that means it takes our students longer to get through college than many people think is appropriate. And there's just a difference of opinion, quite frankly, in this area. But the AACCC believes that institutions, community colleges, should have a 300 percent graduation rate, which translates into six years to allow our students to be fairly measured and to measure whether or not institutions are performing successfully. We also believe that all transfers need to be tracked and reported with the national unit record data system by all institutions, not just community colleges.

Another thing relating to the programmatic analysis and unit of reference for our institutions – I mentioned we do believe that earnings information should be made available for programs. We're well aware of all the issues that are associated with that. We don't mean to reduce education whatsoever to purely economic considerations, but we do believe that most students go to college, at least partially, to improve their earnings prospects; and that it is foolish to assume otherwise. It is fair to students and their families to know when they enter a program what the average earnings are – all other things being equal for students in that program. It may or may not make any difference, in terms of whether or not they choose that program, but we believe they at least ought to be aware of it.

A couple other points on the measures that might go into this system – default rates. Fortunately, only 17 percent of community college students take out loans. Our default rates are disturbingly high, slightly

over 20 percent is the rate for the most recent year we have data for. We believe that whenever default rates are published, they should be put in the context of the percentage of students borrowing. This is more commonly referred to as a student default risk index, which will present the likelihood of a student who enrolls ultimately defaulting rather than just the propensity to default for those students who borrow.

Two other points on the data that are used, one is Pell Grant numbers. I want to remind everybody that Pell Grant recipient figures are somewhat contingent upon the general incomes of the area in which the institution is located, so a college can be doing a very effective job of serving relatively low-income students in its area, which of course is what community colleges do, serve students in their area. I mentioned Montgomery County Community College outside of Philadelphia recently. They have a relatively low percentage of Pell Grant recipients on their campus, slightly over 20 percent. The reason why is because it's a relatively affluent part of our country, so not a lot of students receive Pell Grants – those are just the incomes of those students. The same national needs analysis is provided, for example, at Dyersburg State Community College in rural western Tennessee. At Dyersburg State, close to 80 percent of the students receive Pell Grants. Both of those institutions are doing a very good job of serving the low-income students in their areas, and this needs to be taken into account as we analyze their commitment to doing that.

The last thing I want to mention, referring to a concept that's gotten a lot of support and is becoming more and more rooted in federal policymaking in other circles, is the concept of net price. I know that that's a very significant concept for many four-year institutions and residential colleges. That is the entire budget that the student has to meet, including their living expenses, along with their books, tuition, and fees. We believe that net prices for community college students, most of whom are already working and incurring living expenses, whether they're living on their own or with their families, oftentimes obscure the cost of college for our students. And that whenever net price is presented to students and other parties, regular, straightforward, simple tuition and fees ought to be provided as well, because that is what community college students are very much driven towards, acknowledging that they have other college expenses that they have to meet.

The last thing I want to say, and this is in honor really of the work of the Advisory Committee over time, which has been so focused on the needs of low-income students, is that one of the questions that I know that's been before this Committee is whether or not the ratings system would somehow create disincentives for institutions to serve low-income students. Understanding the reality of incentives on institutional behavior, we don't believe community colleges would be any less likely to serve needy students as a result of any federal ratings system. So, we're hopeful that whatever comes out of this will accurately portray how our colleges are serving low-income students. But even if it might show that they're not serving them perhaps as well as other institutions are, we don't think that will in any way impact our commitment to those students. Thank you again for having me this morning.

Q&A: Panel I

Maria Harper-Marinick: Thank you to all of the panelists. Now, I will invite Committee members to ask questions of the panelists.

Patricia McGuire (ACSFA Member): I am happy to start. Last week at the Education Writers Association conference,²² Under Secretary Ted Mitchell gave several extensive interviews on the topic of the ratings system. One of the things he acknowledged in his interviews is the dramatically flawed nature of the IPEDS data system. He acknowledged that the IPEDS data system needs a substantial overhaul, and he said the people at the Department are working on that overhaul. I'm just wondering if you could share with me – especially since each of you in your own way has pointed to the use of IPEDS data as the threshold, whether it's the least common denominator or some other way, particularly in the graduation rate, that just about everybody in higher education admits is flawed because it doesn't track transfers – what is your view of the ethics and integrity of creating this ratings system right now, if the Department acknowledges that the data that it will use for the ratings is completely flawed?

Ben Miller: I would say a few things. One, I think that much like the way the Department does its cohort default rate work or anything that's a school-based number, it would go to the schools first to double-check the figures. For anything that gets put together that has results, it would be incumbent upon the Department to send the results to the school first and check that the figures are accurate. That's part of the reason why I also think if you do it for the lowest performing that makes it somewhat easier. Obviously, you can't check figures on 7,000 schools because they're going to litigate you to death.

I also think it depends where you start this. I think the graduation figures are substantially less accurate for two-year and below schools than they are for four-year schools. There are still flaws at the four-year level, but they're much more accurate there.

But the other piece I would say is, you get into a little bit of a catch-22 here only in that we would have better data were it not for some other associations that have fought the creation of a student unit record system. It's a little bit of a tension – whereby if you just say the data aren't good enough, but don't acknowledge why the data aren't good enough and the influences that have been working against that, you're sort of letting them off the hook and letting them win that challenge.

David Baime: Ethics is a strong, strong word that you pose your question around. But the federal graduation rate, as Ben just said, certainly for community colleges, as I mentioned in my comments, badly misrepresents community college success. The best way I can picture that for you is that, the current IPEDS graduation rate – and that's setting aside the fact that these rates are of course unaudited as you know – but the current IPEDS graduation rate for two-year colleges is 150 percent. The one that is published by the Department is 21 percent for 150 percent of the normal time. According to the National Student Clearinghouse,²³ if you look at full-time community college students measured by six credits or more, within six years, full-time students graduate from the community college that they enrolled in or another institution at a 58 percent rate. And community colleges, frankly, in some circles have the reputation of being dropout factories and 58 percent may not be as high of a rate as we aspire to, but it is a lot higher than most people think. That's why I spent some time earlier talking about the fact that we need to have some kind of a comprehensive system of tracking students across postsecondary institutions before we can begin to know how they're performing. And that's why a student unit record system is a bedrock, sine qua non for my organization.

Robert Kelchen: My recommendation for this would be to call up the state of Virginia and have Tod Massa – because he does have amazing data – look at what the graduation rates are for the colleges in IPEDS data and what the graduation rates are for the students not in IPEDS data over a reasonably similar

timeframe. If the graduation rates are all, let's say, 15 percent lower, but they're highly correlated with what we see in IPEDS, for an accountability regime, that's not the worst possible outcome. I'd like to see much better data, but at least we need to see whether the data that we have are correlated with the data that we don't have nationally in states that do have better information.

Carrie Warick: I'd just like to add that if we wait until we have perfect data to create this system, we're never going to create it. I'd rather see this system as an impetus to get better data, to change minds about some organizations that might be opposed to the student unit record, or to motivate the faster adoption of transfer rate as well as Pell Grant recipient graduation rates into IPEDS. I think this can spur action in an area where many advocates have been pushing for this data for quite some time with little response. Now suddenly, it's at the forefront, and so this system can help us get what we're looking for.

Maria Harper-Marinick: Thank you. Other questions from anyone on the Committee?

Andrew Gillen (ACSFA Member): This question is for Robert and Ben. Both of you have advocated kind of a bright-line cutoff focusing on the bottom performing institutions. The other choice, I guess, would be to do more of a sliding scale where you phase in rewards or sanctions. Can you just expand a little bit more on why you prefer the bright-line cutoff as opposed to the sliding scale?

Ben Miller: I would expect any sort of ratings system to be iterative. I would also expect that there's probably nothing that gets schools to improve their data reporting faster than getting called on it. So, I would expect as multiple iterations come out, the quality of information would increase, and that would make it easier to do sliding scales or to do slightly more complicated things. But for a first shot really trying to say, what is the level of performance – where if you stopped anybody on the street or if you called up your grandmother and told her about it, even she would say that's unacceptable. And starting there and then work in complexity as you get more familiar with the data and as you move forward into multiple versions of it.

Robert Kelchen: I could see sanctions coming in on a sliding scale very easily. Being at first, sanctions won't come in until at least 2018, if Congress agrees that sanctions can be applied. But additionally, I think it is worth focusing on some kind of a bright-line to identify some higher performing institutions, and it's important that they aren't so strongly correlated with selectivity and resources. Are we finding some colleges that do a really good job with the types of students they actually enroll? I think doing that is important to get institutional buy-in. I don't think it should just be a sanctions system. I think there should be some sort of reward involved, potentially by reallocating the horribly broken Campus-Based Aid system.

David Baime: I know you didn't ask the question of me, but I must chime in to say that I think that a bright-line policy, even if it's a policy that is gradually phased in, is so unfair and so misguided to the institutions that are serving the neediest students. Those institutions, for the most part, are the colleges that have the fewest resources. It is ridiculous to give, let's just pick a most simplistic example, Harvard College a pass on any kind of a federal standard for graduation, given their resources and their admission standards. And then hold accountable a college I know has very low graduation rates that's next door, Roxbury Community College – which has some serious problems with their administration, I would grant you, but serves very, very low-income students and has a small fraction of the resources that Harvard College does.

Of course, we know that different institutions serve students that are worse within our own universe. And the colleges are doing what they can to improve their performance, some of it is through external pressures, but if you do want to see a change in institutional behavior, then just punish institutions that are serving the neediest students in large numbers – particularly, again, those that have low resources and are

also serving students who are so underprepared for postsecondary education. Which, unfortunately, is a function and responsibility that's largely been assigned to community colleges in this country, where we have remediation and developmental education at community colleges being offered to more than 60 percent of the students. If you want to see a perverse system of incentives being established, then create some kind of a numerical system that has outcome indicators key to federal benefits. And despite what I said in my comments earlier, I think colleges in some cases might have no choice but to respond to those incentives.

Maria Harper-Marinick: How is the fact that community colleges serve about 60 percent of the students that need some form of developmental education and remediation part of the conversation? How is that going to be accounted for?

David Baime: Well, yes, community colleges serve students who are at that level of preparation. And, of course, remediation is being altered, improved, and reformed in a dramatic way across community college campuses. I think the point that people need to understand, and it is not as well-known, is the task, again, that is given to community colleges to, essentially, make up for deficiencies in the K-12 system and also just the general level of adult literacy in this country. Students – they're not just out of high school – come to our colleges who need developmental coursework to be done. And certainly, any system that wants to look fairly at the educational performance or outputs of colleges must take into account the preparation of the students.

Maria Harper-Marinick: Yes, Michael.

Michael Poliakoff (ACSFA Member): Thank you. I wonder if the panel would comment a little on the potential use of metrics for student learning gains, things like the Collegiate Learning Assessment (CLA),²⁴ the Proficiency Profile,²⁵ or the Collegiate Assessment of Academic Proficiency (CAAP),²⁶ which measure student progress against predicted learning gains, and the possible use of that in a system that would rate college performance.

Ben Miller: What I would do is use that at the top end. And in a process that resembles the Aspen Prize for Community College Excellence,²⁷ whereby basically, you start with numbers to identify who you think might be in the top tier, and then go to those institutions and say, we think you're really good, but before we can know that definitely, we need to know more about your learning information and things like that. I think you need to give them broad flexibility since there are a lot of different learning indicators out there. Some nationally, and some they've probably developed on their own, but ask them to present some information on learning; ask them to also tell you about things we don't know, like the Pell Grant graduation rate and other things that allow you to just double-check and make sure that, in fact, something that looks good numerically is also good in other dimensions that you can't currently capture in a database.

Robert Kelchen: I like that idea in the long run. I was one of the guinea pig students that took the CLA 10 years ago, so I can speak from a little experience on that. I think it's something that would be great to include – maybe 10 years down the line, when we actually get data for all colleges. But in the short run, there will be some kind of consumer page even for an accountability-based system. Give colleges a space to say, here are our learning outcomes, and you can use the CLA or other tests or other measures of post-graduation success. Make colleges show that they're learning, and if a college doesn't want to participate, that section is blank.

Carrie Warick: The system we propose is slightly different than those discussed by my co-panelists, so for a multidimensional ratings system, that's something that you could easily fold into the outcome section. I think Robert's suggestion, especially for some of these measures that we don't have for the

majority of the institutions, it could be an opt-in, but that's something that you could look at on the outcomes page. And if I were queen and could set up this system, students would then decide whether that's important to them or not.

Maria Harper-Marinick: Any other questions? Yes.

Patricia McGuire: I have one other question, which gets back a little bit to what Ben's talking about on establishing the least common denominator and focusing on lower performing institutions. Why hasn't the Department of Education, in your estimation, done that already? Because that data is already available, so it's hard to understand how a new system is going to be any better at addressing problem institutions than the current situation already is.

Ben Miller: I would say that they've done it a little bit, but they've done it in a specific area on the vocational side with gainful employment. I think part of it is any time you start dealing with actual colleges and problems, it's an extremely tough path to chart. Because every time you see a college get in accreditation trouble, the number of calls that come from Capitol Hill or the Department just creates a lot of difficulty. Because we haven't set up a good system to figure out what to do with a struggling college – especially a public struggling college where you really probably can't close it, because it has to fulfill a need in the area but might need some other form of transformation.

I think the other thing that's changing is that the incidence and prevalence of student debt is putting that discussion on the table much more. It's starting to draw a lot more attention to that. Because if you look at 2008, we were still just talking about how America's got the best colleges in the world, and everyone just assumed that graduation rates were high, that everything was turning out okay. I think we've only slowly started to get a more nuanced debate that's recognizing that there are some colleges that are really struggling and do exist. So, I think part of it was just no one was really paying attention to that until recently.

Maria Harper-Marinick: Any other questions? Yes.

Andrew Gillen: This question is for Carrie. You were the only panelist who wanted the ratings system to focus on the consumer information aspect. Can you expand a little bit on why you think that's more important than the accountability side? And how you came to that determination?

Carrie Warick: I think both areas are important. We have 400 member organizations around the country who are working primarily with low-income, first-generation students. Our members touch about two million students annually who are many different categories of underrepresented students. For the most part, what we've seen from our members is that they have started developing their own list of schools that they highly discourage their students from going to. As David mentioned earlier, most students are going to schools within their region. There's a sliver of our student population that are high-achieving, low-income who are looking at the top 100 in the *U.S. News and World Report*, but the majority of our students are very cost-sensitive, and they're also staying within their region.

Over time we know that if our students go to X school, they're not succeeding, so we're going to highly discourage them from going there. Instead, we're going to encourage them to go to these other institutions. And at this point, our members are also not only having the advisors work with high school students, but they're now developing partnerships with colleges, so that they have success advisors to help the student on their path through to graduation. So, right now, our members are developing these systems on their own for their region.

So, for us, if the Department is going to take this plethora of data that they do have, even if it's imperfect, the most important goal is to help students make a better decision; and then secondarily, look at the accountability that will help institutions improve. Because we know that improvement is going to take time, whereas the students who are graduating now are going to college right away; they don't have time to sit around for five or ten years until we're able to improve institutions. So that's really why we're focused on the consumer piece.

Also, I'd add that as this conversation has developed, I think there has been a consensus developing, even among those who want to focus on accountability rather than consumers, that one metric, one system cannot really serve both purposes. So, our focus is on the consumer side, to add onto the accountability side. But we stress the consumer side to show that a lot of the risk index, input-adjustment proposals that have been made for accountability systems will be incredibly confusing and not helpful for consumers. So our focus is that they should at least be separate, even if they're created simultaneously.

David Baime: Just to give you a couple quick community college perspectives on that – first of all, the colleges have a very important responsibility to provide students with the counseling, academic study skills, and orientation so that they can succeed on our campuses. To require the federal government to require that of the institutions – what that mandate might look like, what the expectations would be – is a very complicated and sensitive issue from our point of view because it's handled very differently at different colleges. And it would be a very hard thing to just write frankly into a statute or regulation. It's difficult enough with loan counseling or counseling on student aid, which is a little bit more straightforward.

Also, as we look at what we can expect for students and accountability, sometimes policy makers don't appreciate the fact that many students when they arrive at college – and this is very much an issue for community college students because they're only there for two years at that community college – don't necessarily know what course of study is the best one for them. They don't know until they've taken some classes, sampled the academic offerings a little bit, what direction they want to go in. However, there are some policies now that assume students know as soon as they get in the door, or they're required to choose and state what program they're going to be in. We just think it's very important for people to recognize that, particularly for the least prepared students, but by no means limited to that subset of the population, they need to be given a little bit of time – wherever possible, whatever ways that can be conceived – to figure out what really gets them excited, what courses of study will be best for them, what they want to do occupationally as far as their studies relate to that.

Maria Harper-Marinick: Thank you, any other questions?

Roberta Johnson: Yes, I had a question. Under Secretary Mitchell has indicated that the Department will attempt to release a version 1.0, understanding that it may be imperfect, and that it needs to be subject to change. I believe the initial conversation was that it might occur later this fall. My question is – realizing and having heard everyone saying that our data is imperfect, but yet, if we wait for perfect data, we may never have anything – would efforts to release something this fall be a help or a hindrance to the students that we're attempting to serve in this nation, given where we are right now?

Carrie Warick: This might be some interpretation from the Under Secretary's comments, but I took that the draft that would be released this fall wouldn't necessarily be one we push out to the public, but that it would be more for the community to respond to. That may be my interpretation. But I agree that whatever we start pushing out to our students, we would want it to be final, even if that means waiting a year. I think the goal is to use it for the following academic year. However, that does give us a very important opportunity to share with our advisors, with our college members, and for other groups to respond – to say yes, or no, we don't like this, or how can we change it. I think releasing the draft is very important,

but I would personally be hesitant to show that draft directly to students to make a decision, but rather to say, would this help you? What is your feedback to it?

Ben Miller: I think at this point some greater concreteness around the ratings discussion would be welcome, just because you see a lot of debate about different pieces where no one knows if they're relevant to this discussion or not since we don't know what's on there. I think that if you release something that's got a more concrete level of indicators, you can also then highlight, this is an indicator we would use but for the availability of it or things like that. That could actually make it much clearer about what data we actually need and don't have, and what data needs to be improved. Because right now, it's so abstract that people can throw out a thousand different measures, so it's hard to focus on well, what are the pieces we're really missing where we need to see an improvement?

I would also hope that whatever comes out shows at least some new information from the systems that the Department already has since it could at least use its student aid data system to tell us some additional information about loan performance. We're already seeing some of that at the national level in terms of a broader portfolio perspective, but they could be telling us a little bit more about at least how the loans are doing and things like that. I would hope that some of that information would be in the new system.

Robert Kelchen: I don't think this plan, when it gets released, will make that big of an impact on students in the short run. Either students are going somewhere reasonably close to home, or they're looking at college rankings that are highly correlated with selectivity. I'd love if more students used the *Washington Monthly* rankings; and they do, but not as many do.

From an institutional perspective, I think colleges would just like to have more information about what would be on this thing. I've gotten phone calls from college presidents who have been fully convinced that this will be a federal ranking, fully tied to financial aid in the next year or two. I think just getting something out there and ending the speculation will be useful, even if it means the ratings have to go through one more draft before they become final.

David Baime: I'll just echo Ben's comments. I think he pretty much stated it the way we think – even though, as I said earlier, we do not support a ratings system. I think getting something out to the policy world, if not the broader public at this point, that has some concreteness to it, some specificity – and also therefore, will draw attention to the data, the refinements they're going to need, I think, in all likelihood – of the variables that they want to include tentatively in the ratings system – would be a good thing. And we can all hopefully work together and get some of these measures in a better state than they are at present.

Maria Harper-Marinick: Any other questions? Yes.

Frederick Hurst (ACSFA Member): Robert and Ben both talked about tiers of different sorts. I think one was 10 percent low, 80 percent middle, 10 percent upper, and then just looking at ratings for the lowest tier as a proposal. I'd like to get a little bit more clarification about how you think that could work in the system.

Ben Miller: So, I wouldn't pick a percentage of colleges I'd be targeting, I'd be picking the level of results that I deem as completely unacceptable and then see who falls below there. It could very well be that I actually pick a lot fewer than 10 percent of colleges, but just start there. I would probably start by trying to look and see when things start to all correlate together. So, like, a very high cohort default rate, a very low loan repayment rate, high incidence of borrowing – probably some look at borrowing amounts or borrowing amounts relative to the income of people attending to look at how much money you're asking people to take on through the loan system in particular.

I would also try to look at some ratio of loan debt to Pell Grant aid, again, to get a sense of how much the schools are asking the students to shoulder the burden themselves versus sharing in that cost with the student. I think your end goal is, what I would deem, the lowest common denominator being a place that both doesn't do great on completion while at the same time asking the students to take on a lot of loan debt that is not going to be successfully retired and probably linger with that student. Because if you think the long-term ramifications for someone dropping out of college is bad, dropping out of college with substantial loan debt is substantially worse – so, starting there.

Robert Kelchen: I used 10 percent just as an illustration. I'm not advocating for just picking the bottom 10 percent. But I'm thinking some figure at the bottom where the colleges are all bad in all outcomes – in addition to affordability and completion, also bad on access too. If you have a college that's 20 percent Pell, graduating 15 percent of students, and average debt is \$40,000, I think we'd agree that's bad across all measures. We want to look for some sort of a break in the distribution of performance on whatever measures are used. If we have 100 schools that are all really, really bad, then there's a break, and if some schools are lousy on two measures, but pretty good on the third, I think we can draw the line in between those.

Now, for the top performing schools, I think using a fixed percentage is okay. We can look at the distribution again, but I think it's important that if we're looking at high performing schools, they have to do well on access as well as on affordability and completion. If we only focus on affordability and completion, we can just look at what *The New York Times* already put out this week.

Maria Harper-Marinick: Thank you to all of you for taking the time and sharing today as part of your testimony.

Panel II

Maria Harper-Marinick: Welcome back, everyone. I am pleased to introduce the next panelists. We have six individuals:

- Ms. Jessica Thompson
- Ms. Joan Zanders
- Mr. David Hawkins
- Ms. Jasmine Hicks
- Ms. Anna Cielinski
- Ms. Carrie Billy

(Panelist bios can be found in Appendix A)

As we did earlier today, we have allowed about seven minutes to each of you to make comments. We will let you know when you're going over. Then we're going to wait until all of the comments are made and open it for questions from our Committee. Please make sure your mics are on by pressing on the red button, introduce yourselves, and let us know your name and affiliation, please.

We'll begin with Ms. Thompson.

Jessica Thompson: Thanks for allowing us the opportunity to testify about the ratings here today. My name is Jessica Thompson. I'm a Senior Policy Analyst at The Institute for College Access and Success (TICAS). We are a nonpartisan, nonprofit research and policy organization. Our mission is to improve educational opportunity and outcomes so that more underrepresented students can complete meaningful postsecondary credentials without incurring burdensome debt.

At TICAS, we were optimistic when the President announced that the Administration would develop a system to rate colleges based on measures like access, affordability, quality, and success; although it was clear that this would be easy to do poorly and hard to do well. Students and families need better information about costs and outcomes when making college choices. We can't afford to continue investing in schools that overcharge and under-deliver. One of the most important issues that we addressed in our comments to the Department, and what I want to focus on here today, is the difference between a ratings system designed to increase college accountability and one designed to inform the decisions of students and families, and in either case, the role that input adjustment should play.

I think I can safely say that we all believe in the transformative power of education, especially as an engine for socioeconomic mobility and sustained economic growth. We all want to find the institutions that are doing so well and so much, often with so little, and to elevate them. It is undeniable that some colleges cost more to attend than other colleges, and that some colleges are much more successful than others at serving the same types of students. Students and families deserve and urgently need this information presented in a clear and understandable way.

This is why we recommend starting with a consumer-facing ratings system using currently available data and featuring easy to understand, comparable information, with no input adjustments: a system designed

to help students and families identify colleges that provide the best value and that fit their specific needs. Input adjustments (altering the metrics used in the ratings to account for student or institutional characteristics) might be relevant to consider in an accountability system tied to funding, but such adjustments are inappropriate and misleading if used in consumer information.

For example, accounting for public colleges' state funding per student might be an important consideration for policy makers' interpretation of net price data, but the student always needs to know the actual net price she is likely to pay regardless of the underlying factors. For a student considering a school where 20 percent of students graduate, the important thing to know *is not* that the school performs better than expected given its demographics, or that it has improved in recent years. What matters is that only 20 percent of students graduate. It would be misleading and potentially harmful to present that information in any relative way, distorting what a prospective student can expect if he or she attends that institution. So it's critical that we ensure that any adjusted metrics not be presented as or confused with consumer information.

Given persistent disparities in student outcomes based on income and how much better some colleges serve low-income students, we also believe that low-income students and families need an indication of how students like them generally fare at a given school – information that is not currently accessible and where the Department's ratings could really make a difference. We recommend a separate "student support" rating focused specifically on a school's affordability and success for low-income students. This would distinguish schools that may have similar affordability and success rates *on average* from those that reliably deliver affordability and success more *evenly* between low-income students and their higher income peers.

In addition, we recommend recognizing institutions that are not only supporting their low-income students well compared to other institutions, but also doing so while enrolling a higher than average proportion of such students. This would differentiate schools that have no affordability or success gaps but enroll very few low-income students from schools that have no such gaps and enroll an above average share of low-income students. This allows the ratings to highlight this key distinction while ensuring that all metrics or ratings presented remain straightforward and accurate reflections of the experience of the students who attend a given school – which is critical if the information is intended to help guide decision-making.

We also recommend that the ratings system initially apply to primarily bachelor's degree-granting institutions only, with other types of institutions added afterwards. Students absolutely need and deserve better information about costs and outcomes at all types of colleges, but the limitations of currently available data are far more pronounced at institutions serving a less traditional student population, which you heard about in detail from Mr. Baime earlier, and vastly improved data are currently being developed.

Now, ultimately, in addition to improving consumer information, we want to hold schools accountable. Schools that are serving students poorly or even dragging them down, leaving them worse off than before they enrolled, should be identified and should be held accountable and face consequences. For instance, they might be required to rapidly improve or be deprived of public investment. While we believe input-adjusted metrics have no place in consumer ratings, we also urge great care in using them in accountability ratings. A wide range of commenters have highlighted serious weaknesses and holes in currently available data that significantly undermine the ability to design input-adjusted metrics that are robust, meaningful, and fair. This was made especially clear just last week in a policy paper presented at a Civil Rights Project briefing.²⁸ Dr. Anne-Marie Nuñez from the University of Texas-San Antonio found significant volatility in her results depending on which variables she chose, and due to a lack of data entirely, could not even attempt to properly account for potentially important variables like academic preparedness. We also want to note the serious risk of input adjustment itself, since doing so can be

implemented in a way that effectively sets lower standards and expectations for certain students and for certain schools, reinforcing and perpetuating disparities instead of ameliorating them.

As this work to strengthen institutional accountability moves forward, students and their families should not be kept in the dark. We know that students currently lack the information they need to best determine which schools to apply to and attend, and that we already have data to do a much better job, not a perfect job, of filling this gap. A ratings system designed specifically for consumers can also further encourage colleges to keep their net cost affordable and find better ways to support student success.

It's been a year since ratings were first proposed and until we have a concrete proposal to respond to, I think it's easy for the discussion to remain highly theoretical. But we must not lose sight of what is both actionable and needed right now: accessible, unvarnished consumer information about costs and outcomes for students. Thank you.

Maria Harper-Marinick: Thank you, Ms. Thompson. Ms. Zanders.

Joan Zanders: Good morning. My name is Joan Zanders, and my perspective on the college ratings system comes from 27.5 years of real life experience at four very different institutions as a financial aid director. For the past six and a half years, I've been the Director of Financial Aid at Northern Virginia Community College. NOVA, as we call ourselves, is a very large, multi-campus, urban community college with enrollment of over 78,000 students. We have six full campuses and many, many sites across northern Virginia including most, if not all, of the military bases in the region.

At our recent 2014-15 Faculty Convocation, Dr. Robert Templin, President of NOVA, shared the following information about changes that had occurred at NOVA over the last 10 years:

- NOVA has served about a half a million students in that 10-year period, one-fifth of the population of northern Virginia.
- Our enrollment has grown by 19,000 students, the majority of that has come from immigration. Minority enrollment has grown by 80 percent, an increase of 12,000 students.
- NOVA is the largest minority-serving institution in Virginia and one of the largest on the east coast. We have more African-American undergraduate students than the two African-American serving institutions in the state of Virginia, 35 percent of all Latino students, and 29 percent of all Asian undergrads in Virginia public colleges and institutions. Dr. Templin refers to NOVA as a 21st century Ellis Island. (One of the reasons I love working at NOVA is because of the great cultural diversity there. We have students from over 180 countries, and it feels very much like a microcosm of the world and what the world will and should eventually become.)
- NOVA transfers more students to George Mason, Virginia Commonwealth, Virginia Tech, James Madison, and the University of Virginia than any other college in Virginia. Forty percent of all transfer students in the state of Virginia come from NOVA, largely due to articulation and guaranteed admission programs with over 40 colleges.
- The number of NOVA transfers to Mason has doubled, with 95 percent of those being minority students. We send more transfer students annually to Mason than they take in as freshman.
- NOVA transfer students have an 81 percent graduation rate at their receiving institutions.
- NOVA confers more associate degrees in information technology (IT) than any two-year school in the country and our Associate of Applied Science (AAS) IT grads earn an average of \$54,000 eighteen months after graduation.

Now, in spite of those wonderful successes and contributions, not only to northern Virginia but to the state, and I daresay, the world, NOVA's completion rate on our Shopping Sheet,²⁹ which we implemented

immediately after the President's Executive Order, shows 21.8 percent. That figure, which considers no more than 25 percent of NOVA's total enrollment, makes us look unsuccessful, when surely we are not. Developing a more accurate graduation/completion rate has to be the first step for the government. *Though our transfer students are highly successful and many of our students enroll for two-year, non-transfer degrees and career enhancement, could our financial aid funding be cut because of that very limited and discretionary figure?*

NOVA is an open-enrollment institution, serving a multitude of traditional college-age and adult students. Significant percentages, as is the case with most community colleges, need developmental work in math and English. Our immigrant population most often requires English as a Second Language (ESL). And by the way, as a Financial Aid Director, I'm a firm believer that developmental and ESL classes should be taught at the community college, largely because of the nontraditional population, but the funding source *should* be totally different than Pell Grants and student loans. With a 600 percent of Pell and 150 percent timeframe for subsidized loans, many students can't possibly complete within the required limitations. They are being set up for failure and often through no fault of their own.

What is the goal of a college ratings system? If the goal is to assist students, did we ask students what they don't know already that would assist them in making decisions about college attendance. What would a ratings system look like to indicate to students – or any of us – that a college was successful? The possible factors are many, and who decides which factors should be included and how they will be weighted? If I were returning to school or sending a student to college, I would want to know:

- The programs that were offered
- The careers that were available with those programs
- What the income range would be for those programs
- Am I going to have to borrow to go to school?
- Am I going to be able to repay those loans on the income that I make from that profession?
- How many students does the college serve?
- How many are degree-seeking?
- How many are in my program?
- Has enrollment changed, and if so, why?
- What's the median age of the student population?
- What's the diversity of the student population, faculty, and staff?

All of those things would be important. But I would also want to know:

- How my school is funded
- What percentage of the total cost is the responsibility of the student?
- If I am attending a community college, will my credits transfer?
- Does the college have articulation agreements?
- Do they have guaranteed admission agreements with other schools, so that I know I can transfer seamlessly?
- What are the annual salaries, bonuses, dividends, stock options, profit sharing, retirement benefits of owners and upper-level administrators? That's significant because that tells me the percentage of my dollar that is going to those costs.
- And what percentage of my tuition dollar goes for dividends, to stockholders, or other benefits?
- Is this school in the news? If so, is the news positive?
- What are the hard costs of going to school? Not the net cost but the hard cost – tuition and fees – what am I going to have to pay?

- What are the costs over the last five years? And don't give me percentage of increase. A five percent increase on a \$100 per credit hour is a whole lot different than a five percent increase on a \$1,000 or more per credit hour. (In fact, most percentages usually prompt me to say, "Percentage of what?", because the answer provides very different information depending on the base.)

One common factor among the public four-year and two-year community colleges where I have worked is that the state support has dropped significantly over the last decade or more. We're constantly told to keep costs down. When state support at a public institution drops, the only options to cover expenses are either cut expenses or increase tuition. Public institutions, with a few exceptions, are not noted for being opulent or high-paying institutions. Schools compete with the business world for talented faculty and staff. Trimming is always possible, but not enough to offset what has been lost; and at what point does that hurt students? Surely, no one would argue that cutting instructors and doubling class sizes are in the students' best interests. Raising tuition is almost unavoidable.

As much as a ratings system might provide helpful information for students, my experience tells me that schools will annually spend hours, days and weeks of valuable staff time gathering the required data, and only the occasional student will ever read what is provided. Parents will likely be little better. Community college students are generally from the area and know the school's reputation already. Students already don't read information that is vital for their success – including award information, satisfactory progress requirements, loan guidelines, and the ramifications of stopping attendance during the term. Providing the information does not equate to student understanding or making better college choice, and it is not going to solve the problem for the students who need it the most. They are already on information overload.

Again, I ask, what is the goal of the college ratings system? Are we attempting to eliminate bad players by formula? We already have tools in place for this purpose, if we use them effectively. Having said that and as often as we try, we have yet to be successful in legislating ethics or eliminating greed.

Historically, when rules and regulations are written for financial aid and higher education, all schools are painted with the same broad brush, though comparing an open-enrollment, two-year public with a highly selective, four-year public or private makes little sense. Creating peer comparison groups seems to be a logical approach but even comparisons among two-year publics are fraught with inconsistencies and a multitude of variables.

NOVA has been attempting for several years to find a cohort group against which to compare our financial aid results. The best we can do is "large, urban, multi-campus community colleges", but we, too, differ significantly. As an example, we were interested in knowing whether we were reaching our neediest students, primarily those who were Pell eligible, and found that our percentage of those receiving Pell was lower than other community colleges. The factors that had previously not been considered were these:

- Our college encompasses two of the most affluent counties in the U.S. Salaries are higher here, which means fewer students qualify for Pell. That doesn't necessarily mean our students are less needy. Unfortunately, the cost of living, which is also higher here than most areas of the country, is not considered in the Pell allocation formula.
- We were comparing percentages against total headcount when our total number – in significantly greater numbers than our peers – includes...
 - Students dual-enrolled in high school and college,
 - Students with non-eligible visa statuses,
 - Students who are not degree-seeking (skill enhancement, often paid by employers or military).

The Pell formula, which has been around for decades, has morphed from a need assessment tool into a rationing device. I see a college rating system becoming much the same, an arbitrary formula that truly does not show the effectiveness of a college. There are just too many differences in mission, student backgrounds and preparation, programs of study, geographic locations, and socioeconomic conditions—not to mention limitations on available information and statistics, and the choice among differing formulas and methodologies.

I see potential unintended consequences of a ratings system. Rating categories where unintended consequences could occur are:

- **Net cost** – Net cost generally is based on the cost of attendance budget built by the school minus gift aid – or gift aid and expected family contribution. Large schools in high cost-of-living areas like DC, if in likely cohort groups with schools from across the country, would show higher net costs because of living expenses. How would that affect ratings? A better standard, especially for community colleges, whose students are largely place-bound, might be tuition and fees.
- **Graduation rates** – In an attempt to improve graduation rates, grade inflation could become the norm for struggling schools, as could the creation of short-term programs that show completion. Defining “meaningful credentials” could be more challenging than gainful employment regulations. Most graduation rates in the past have had the bachelor’s degree as the goal. For many community college students, a bachelor’s degree was never the goal.
- **Salaries of graduates** – Students with a desire to make a difference through ministry, education, childcare, social work, and a multitude of other fields – or students withdrawing from the workforce to raise a family – could impact a school negatively, though contributions from those students might be more favorably impacting on society than tax dollars from higher salaries ever would. Salaries also vary greatly from one region to another across the country, as do costs of living. The lines of demarcation between varying socioeconomic areas are not distinct. How would or could input adjustments be made for those salary and cost of living variables? As I understand it, the attempt to adjust Pell regionally some years ago was dropped for the very reason that a solution could not be found. With the growth of online education and the mobility of our population, using salaries as a factor and determining adjustments would be capricious to say the least.
- **Default rates** - Schools currently have authority to limit borrowing on a case-by-case basis only. How can schools be held accountable for borrowing and default rates when they have almost no control over the amount of money students borrow? Neither do default rates reflect the percentage of students who borrow, which is typically quite low at community colleges. Schools with high default rates risk losing all financial aid eligibility, again with little or no control over borrowing. Independent students and students whose parents are denied PLUS loans can currently take six credits a term and borrow \$9,500 for the year, whether or not they receive full Pell Grant and other aid. At NOVA, we have seen students with bachelor’s, master’s and doctoral degrees coming back to the community college to take a certificate program and borrow when they are already upwards of \$70,000, \$100,000 or \$200,000 in debt. Even if we are held accountable only for loans taken at our institution, the risk of default for students already deeply in debt is greatly increased. We are often denying these loans, but the process is tedious because each file must be examined individually. Currently, our own independent students, if they choose to be half-time, could borrow \$40,000 just to complete an associate’s degree, and there is little we can do about it.

If schools are going to be partially responsible for defaulted loans, we must have the flexibility to deny or reduce loans for groups of students without being forced to treat all associate degree-seeking or certificate-seeking students the same. Students seeking an associate’s degree and taking remedial courses are not the same as students taking coursework in an associate’s degree

in nursing. *If schools are required to pay back a portion of their students' defaulted loans, we would both be encouraging students to default and schools to get out of student loan programs.*

If the goal is rating schools for funding purposes, knowing that is the goal is paramount to creating a reasonable and sustainable methodology, but the formula does not become clearer. NASFAA and AACC have put forth additional thoughts and research that could assist with the process. Unfortunately, statistics can also be used for the purpose of saying what those driving the formula want them to say. With so many variables affecting schools, developing a plan that is fair seems like an exercise in futility and one where there are both winners and losers and not necessarily for cause. Thank you.

Maria Harper-Marinick: Thank you. Mr. Hawkins.

David Hawkins: Good morning, and thank you for having me here to share the thoughts of the National Association for College Admission Counseling, or NACAC as you'll hear me refer to it as. I'm Director of Public Policy and Research. NACAC, just briefly, is a nonprofit association of more than 13,000 high school counselors and college admission officers from around the country. We've been in existence since 1937.

A couple of important contextual notes that I want to offer is that NACAC has been among the most vocal supporters of the current Administration's efforts on two fronts. One, to tighten up program integrity rules to try to eliminate or at least limit waste, fraud, and abuse in student financial aid systems, which we see as one of the most serious threats to low-income and underrepresented students today. We've also been very supportive of the Administration's efforts to provide consumer information to students. In this day and age, where our members might string me up for saying consumers instead of students, the fact is there are so many people coming through higher education, and there's so much data and so many players in the market that students really do need a trusted source of information that can help them make informed enrollment decisions. And I think the concept of making informed enrollment decisions is really at the heart of what we would like to convey and is at the heart of what we try to do on a day-to-day basis as members.

Now, as another bit of context for this topic, our association has had a love/hate relationship with the commercial college rankings over the years. Love to hate them and hate to admit that some of us love them because when we get good rankings, we string them up all over campus. We issued a report in 2011, "Report of the NACAC Ad Hoc Committee on U.S. News & World Report Rankings," and I just want to read one passage from that report that really sets the context for an effort to impose any sort of order on institutions. I'm not saying this to advocate for or against a ratings system, this is simply what we have seen reflected in the academic literature:

The trouble with ranking such complex institutions using simple measures is well-documented. Rankings can be self-fulfilling prophecies, the process by which reactions to social measures confirm the expectations or predictions that are embedded in measures or which increase the validity of measures by encouraging behavior that conforms to it. Rankings can also improperly reduce and simplify complex concepts, decontextualizing information that could be essential to consumers...The cumulative effects of the rankings, combined with the distillation of judgments about quality into data points of varying degrees of defensibility, create questionable incentives for institutions and lead to significant confusion among consumers about the differences between institutions. Such confusion among consumers risks creating mismatches between students and institutions, as well as reputational biases that may discourage students from pursuing an education at an institution that may be the 'best' college for their needs or tastes (p. 6).

That's a fairly comprehensive statement about how rank, order, and lists in general can fall short. Now, not to say that some can't be done better than others, but that's just a general caution that I wanted to put up before this committee. Realizing that the purpose of today's hearing is to talk a little bit about how a ratings system might affect low-income and underrepresented students, I did want to touch on a few considerations.

First, as we recommended to the Department back in January when they issued a call for comments on the ratings system, we absolutely want to caution against an ordinal ranking. One of the really big problems with the commercial rankings is they put one institution on top of another, and the distinctions between institutions on the list are really negligible, so we want to avoid that.

We agree with a lot of what's been said here about consumer information. We really feel that the Department is in a unique position to provide a trusted source of consumer information. In this day and age, when the internet can expose you to all manner of information, whether accurate or inaccurate, and goodness knows who it's sponsored by, we want to make sure students are getting a trusted source of information. So we definitely urge a focus on that consumer-facing information.

Enforcement – as I mentioned earlier – of the program integrity regulations that have recently been promulgated, as well as some legislative proposals that are pending, we really feel are important to take effect before a ratings system would go into effect. Because right now we think there are still too many problems with some of the data that's being reported to the Department and some of the behavior of predatory colleges. On the consumer-facing idea, there could be leading indicators, I think Joan referenced a couple of these ideas, like extremely rapid enrollment growth, extremely large rises in borrowing levels or default rates – and these could be useful for consumers.

Our counselors regularly tell us that gauging financial risk for students is one of the most difficult things that they do. And certainly for any consumer information that the Department puts out, it would be helpful to know what this kind of risk is. I think TICAS has proposed the student default risk index, which combines information to give a little bit more context about default rates against the percentage of students who borrow, et cetera. Those kinds of information might be helpful to students and families as they gauge whether it's in their financial interest to enroll.

Then, of course, student indicators. I would say there are three that are really important. You've heard them all; these won't be any surprises but – access, support, and outcomes. All of those are interrelated because we don't want to reward institutions simply for enrolling large numbers of Pell recipients. We have a number of them that do that now, and they're getting into a lot of trouble because they don't support the students. And the students who do progress through may not be getting much out of their education.

We have to ensure that we're accounting for supports. This is something that I don't think IPEDS currently collects a lot of – or the federal government at all – but there is quite a significant amount of academic research about how students are engaged in their institutions: what kinds of support institutions provide for them, which then, of course, relates to the outcomes measure. We've heard a lot of testimony and will hear a lot of testimony about simplistic measures of outcomes, and we want to make sure that we account for input-adjusted outcomes. We want to make sure we reward institutions that take risks on students, and we also want to make sure that we have a very nuanced look at what success means. I know the Voluntary System of Accountability³⁰ has a very comprehensive and nuanced look at how transfer plays into this and how students may increasingly – particularly for the audience that we're speaking about – take a nontraditional path.

Those are the considerations just very briefly – this could go on for days, I’m sure. We would just urge the Administration to exercise extreme caution because we know what rankings can do and how they can be interpreted or misinterpreted once they’re out.

Maria Harper-Marinick: Thank you, Mr. Hawkins. Ms. Hicks.

Jasmine Hicks: Good morning. My name is Jasmine Hicks, and I’m the Higher Education Campaign Director for Young Invincibles. Young Invincibles is a national advocacy organization working to expand economic opportunity for young people. Thank you for inviting us to offer the student perspective on the Department of Education’s Postsecondary Institutional Ratings System initiative.

In January, Young Invincibles offered formal comments in response to the Department’s Request for Information. We recommended that the system should be designed to present information separately and distinctly for two intended purposes: providing information on institutional accountability on the one hand and consumer information on the other. Students tell us that they agree that the system should be used to not only guide students’ college search process but also incentivize good outcomes and discourage bad ones. For instance, Valerie from the University of Massachusetts told us, “I would hope that the rating system would be used to encourage institutions to distribute more aid and scholarships.” Put another way, for Valerie, the system should encourage institutions to create more opportunities for equitable access and inform prospective students in their search. While Robeson from the University of Massachusetts at Dartmouth said, “I would use it to give me a guideline of what I’m looking for and what I’m not looking for – essentially, a combination of things weighted against each other to choose the best one.”

In our formal comments, in addition to recommending that PIRS serve a dual interface, we made several points. Here are four. First, we warned that basing aid on ratings could unintentionally harm low-income students who face barriers to successful outcomes. Indeed, students consistently prioritize racial and ethnic diversity as well as equal access across income levels. For instance, Hawa who attends University of Virginia, an institution that one would expect to do very well in any ratings system, recently told us that her fellow students are very unaware of how homogenous their school is and how the same students get to speak and become leaders. Many students are like Hawa, they want to attend institutions that value racial and economic diversity.

Second, we call for the incorporation of data that students value most, such as affordability and loan repayment. In focus groups conducted by Young Invincibles, employment prospects were very important to respondents, as was graduate’s ability to repay their debt. Students consistently ranked these two outcomes as most valuable to their decision. Third, we pointed to the current lack of data available necessary for a superior ratings system and emphasized the importance of protecting student data privacy.

Fourth, we recommended the system be designed for students and families by using consumer-friendly, clear, and understandable formats in its interface. Ahead of this hearing, we submitted specific recommendations on that design, drawn from research on consumer information processing. We outlined what we can learn from studies of how consumers obtain and make use of information about important financial decisions and apply this knowledge specifically to decisions about where to attend college and how to pay for it. Specific to how to present information, our recommendations include that the ratings system present information incrementally. Information processing is difficult for people when they are overloaded by information. More is not always better.

Information should be unambiguous, otherwise people are prone to give the information little weight in their decision-making process. The characteristics of the options presented should be alignable or be similar, so that individuals can make direct comparisons between them. The Department should present

numbers in a way that is straightforward to interpret. Certain numbers like percentage interest rates are more difficult for people to process than the same figures expressed in dollar terms. The information should be directly relevant to what individuals perceive as salient factors in their decision-making process. The Department should pay special attention to the context in which the information is presented, as even subtle, contextual factors can have a large impact on information take-up. For example, including visual cues, such as pictures, can affect the way individuals process the accompanying information.

Throughout the last year, we've heard directly from students about their priorities and concerns for the ratings system, many of which reinforced the results of this information processing literature review. But some of the stories we heard did surprise us. As I stated earlier, most students value affordability, loan repayment, and job placement, but others value characteristics that transcend these metrics. For instance, Kelly Ann from Boston University cited student body diversity, helpfulness from the administration, and career development as categories on which schools should be graded. Elizabeth from Wesleyan University told us, "Students wish for sexual assault and crime statistics to be considered, or more specifically, how the school handles these situations." Ebony from Portland Community College says she wanted to go to college to become a better citizen, to learn more about the world, develop critical thinking and problem solving skills that would allow her to better stand up for her friends, family, and community.

Providing students with more information about the economic value of postsecondary credentials is a vital goal, but it is not the only outcome of our postsecondary system. Young people pursue education for a variety of reasons. They may want to challenge themselves to learn about the world, to build social networks for career success, or like Ebony, to become more equipped with the tools to be a better advocate for her community. These pursuits are worthy goals for individual and public investments. They are also extremely difficult to measure.

To conclude, we're very excited about PIRS's potential to serve dual interfaces. It should provide unprecedented information to students and families about the expected value for their higher education choices, as well as an accountability mechanism for the diverse institutions of higher learning in this country. We're honored for this opportunity to lend our thoughts on this system and look forward to amplifying the student voice and perspective in this process.

Maria Harper-Marinick: Thank you, Ms. Hicks. Ms. Cielinski.

Anna Cielinski: Good morning. My name is Anna Cielinski, and I'm a Senior Policy Analyst at CLASP, the Center for Law and Social Policy. CLASP is a national nonprofit organization that develops and advocates for policies that improve the lives of low-income people. Thank you for the opportunity to testify today about the proposed Postsecondary Institution Ratings System.

CLASP is particularly pleased that the Advisory Committee on Student Financial Assistance is continuing the important dialogue on how PIRS should be designed to minimize unintended negative consequences on low-income and underprepared students, groups which make up a growing segment of the undergraduate population. Our written testimony includes a discussion of the differences and similarities of using performance measures primarily for transparency purposes, primarily for accountability, or for a combination of both. We offer 11 recommendations in our written testimony.

While CLASP supports the overall goals of increasing transparency and accountability for postsecondary results, we don't support the use of PIRS for accountability purposes until more and higher quality data are available. Existing data sources do not include results for many students that are not first-time, full-time students; do not have measures of student progress; do not support critical breakdowns of results for key groups of interest, such as Pell Grant recipients; and are missing data on earnings results for most students. Our written testimony describes these limitations and offers approaches to address them.

Regardless of whether or not the new ratings system is used for accountability purposes, or if more and higher quality data become available, PIRS must be designed with significant care so as not to create disincentives for institutions to enroll or focus resources on low-income and underprepared students. We offer four suggestions today to avoid such negative consequences. First, the Department should ensure that metrics reflect the goal of student progress in addition to the important goals of access, affordability, and outcomes. Performance metrics should include interim outcome measures that remove disincentives to serve students that are further behind and to provide supports that help students move forward towards completion. Examples of student progress measures may include developmental course completion, gateway course completion, and credit accumulation in a program of study.

Second, the Department should avoid using composite ratings because they may be difficult to understand and interpret for program or institutional improvement. Setting thresholds based on a single criterion can create strong incentives to game results, distort institutional missions, or create other undesired results. Third, the proposed system should disaggregate results for different segments of the student body to illuminate, and hopefully decrease, inequalities. In addition to providing access measures, like percentage of Pell Grant recipients, showing outcome results for categories of students from disadvantaged backgrounds makes it possible to measure, and ultimately begin to address, critical achievement gaps or disparities in education and labor market outcomes. At a minimum, results should be disaggregated and presented for the following subgroups: programs of study, Pell Grant recipients, full- and part-time enrollment status, gender, race, and ethnicity.

Last, institutional results should be compared fairly. In developing comparison or peer groups, institutions should be grouped along dimensions that have strong predictive power for the metrics. These dimensions may include level of selectivity, type of credential granted, percentage receiving Pell Grants, and percentage attending other than full-time. When using for accountability, it becomes also important to include additional factors such as percentage of students enrolled in developmental education, percentage of students who are age 24 or older, and percentage of students who are first-generation college students. Adjusting for institutional and student characteristics should be modeled before use. CLASP hopes that these recommendations along with others in our written testimony will assist the Department as it develops the proposed ratings system. Thank you.

Maria Harper-Marinick: Thank you. Ms. Billy.

Carrie Billy: [Speaks Navajo]. My name is Carrie Billy, and I am the President and CEO of the American Indian Higher Education Consortium (AIHEC), which is the nation's Tribal Colleges and Universities. My family is from the Low Mountain area of the Navajo Nation. I grew up almost all my life living on Indian reservations until I went to college; so as I start, I want to say that 30 years ago when I was in high school on the reservation, a ratings system wouldn't have helped me at all. Thirty years later, it's not going to help our students who are living on Indian reservations today. What I cared about was cost and distance. Will my Pell Grant cover the tuition? And was it accessible? Could I drive or get a ride with someone to get to school? And then the next thing, could I transfer? Could I go on to complete another degree if I wanted to? That's what was important to me then, and that's what's important to most American Indians living on reservations today. We don't need a ratings system for that.

But, on behalf of the American Indian Higher Education Consortium, which as I said is the 37 Tribal Colleges and Universities, I want to thank you for this opportunity to tell you a little bit about Tribal Colleges, to give you some perspective, and then talk about a few of our recommendations, which we have shared with the Department of Education.

Tribal Colleges were established beginning in the late 1960s for a very simple reason: the near complete failure of the American higher education system to address the needs of or even include American Indians. American Indian Tribal Governments chartered the first Tribal Colleges for the dual purposes of educating our people; and for preserving our culture, our language, and our lands. That is the mission of Tribal Colleges today. We are located in some of the most impoverished regions of this country; in fact, seven of the 10 poorest counties in this country have a Tribal College.

Tribal Colleges are planting seeds of hope, sustaining native languages, helping to strengthen tribal governments, and strengthening our culture, heritage, and economy. The vision of all Tribal Colleges is strong, sovereign nations through excellence in tribal higher education. Tribal Colleges, several years ago, made a commitment to accountability.

About 10 years ago, AIHEC established something called AIHEC AIMS,³¹ which is a comprehensive data collection system in which all 37 Tribal Colleges participate. Every year, we collect data on about 120 quantitative and qualitative indicators that are relevant to our people and our communities, and we have urged the Department to look at those factors. Many of them are things that people on this panel and others have already mentioned. We developed an Indigenous Evaluation Framework to make sure that evaluation of our programs is done from an indigenous perspective and is relevant to our people. We care about accountability and transparency, but we have concerns about a system that is going to compare these very unique institutions with other, very different institutions.

A fundamental role of Tribal Colleges is tribal nation building – preserving and promoting traditional culture, language, and ways of knowing is part of that. Land and language are essential to who we are as people, so it is essential to a Tribal College. These are important considerations for students who are considering going to a Tribal College. And just as the federal government was able to capture American Indian people in the 1800s and move us on to reservations but could never capture our spirit, our culture, or our language, I do not believe that the federal government could capture these essential elements of a tribal institution within a ratings system that is going to cover every institution of higher education in this country.

Still, we know it is going to happen, so we have a few recommendations. We think, as others have said, that any ratings system must take into account the context which individual institutions operate and ensure that the data doesn't have the unintended consequences that many have mentioned. Here are a few examples of some of the major factors that impact Tribal College success now. All Tribal Colleges, like most community colleges, are open-door institutions. We take students wherever they are in the education pipeline as long as they are part of our community; it's fundamental to our mission. Nearly 70 percent of our students are first-generation college students. More than 70 percent require developmental education in math and more than half require developmental education in reading and writing. Our students come to us having dealt with many challenges throughout their lives: historical trauma, generational poverty, abuse, neglect, and inadequate and underperforming K-12 systems. About 80 percent of our students receive maximum Pell benefits, and most of our students live well below the federal poverty line.

A ratings system must have accurate and relevant data. For Tribal Colleges, the data that is collected now by the federal government does not capture those elements, and the data they do collect is not always accurate. We think – as some people have said – that a ratings system must measure improvements over time, rather than where they are right now, especially when the data is flawed to begin with. This is particularly important for institutions that serve large percentages of students with developmental education issues. Improvements in graduation rates or transferability, which people have mentioned, are very important.

Another key factor to look at is the time to transition from developmental education to regular academics and then transitioning to other four-year degree programs.

Using earnings data for Tribal Colleges is extremely problematic because right now only two of our institutions even participate in the federal student loan program. We are focused on making education affordable for students, so they do not have to take out loans. There is a significant limitation on collecting earnings data within the current systems.

Also, most American Indian communities are very geographically isolated. They lack a manufacturing or economic infrastructure, and they suffer some of the highest unemployment rates in the country, ranging from 30 to 50 to 70 percent. So just as the ratings system needs to take into account where the students are and how they are progressing, it also needs to take into account where institutions are. Tribal Colleges operate primarily on funding from the federal government, and our funding – historically low from the beginning – today is woefully inadequate.

What I am saying is that it is difficult to compare outcomes, even of similar groups of institutions, when there are such great disparities on the inputs, particularly in terms of federal funding. For example, Tribal Colleges are 1994 Land Grant Institutions. Tribal Colleges – there are 33 “1994” Land Grant Institutions – received \$4.4 million for extension activities from the U.S. Department of Agriculture (USDA) in Fiscal Year (FY) 2013. Compare that to the 50 state institutions – incidentally, some of the Tribal Colleges are serving areas larger than several states. Well, the 1862s received \$300 million in FY 2013 so \$4.4 million versus \$300 million. Theirs is formula-driven while ours is competitive. That’s just one example; I could go on and on.

How can you compare institutional outcomes when there are such great inequities with the inputs that support the institutions?

The nation’s Tribal Colleges and Universities are excellent examples that one ratings system cannot fairly or adequately capture the diversity and inequity that exists within our current higher education system. But if I have a minute, I would like to close by telling you about one Tribal College. At Leech Lake Tribal College (LLTC), which is in Cass Lake, Minnesota, 80 percent of the students receive Pell Grants. More than 90 percent come from families living below the poverty line. The college has no dorms, no intercollegiate athletics, and tuition is low, less than \$2,000 per semester. It’s kept low to ensure the students can stay in school and afford it. They have high-quality education programs and wrap-around student support services. In 2010, Leech Lake Tribal College was ranked as one of the top 10 community colleges in this country by *Washington Monthly* magazine, but LLTC will probably be rated poorly on any system that the Department of Education has developed. Leech Lake is just one example of a low-resource, high-performing Tribal College that really has a unique role and niche in the American higher education system. This needs to be considered in any ratings system that is developed. Thank you.

Maria Harper-Marinick: Thank you, Ms. Billy.

Q&A: Panel II

Maria Harper-Marinick: Questions from the Committee? Yes?

Patricia McGuire: Thank you very much, and thank you panel. This was an excellent panel, and I appreciate everybody's testimony. I'll be eager to read it again because it's very rich. I just want to reflect for a minute, and my specific question will be directed to David and NACAC, but it has broadness. We heard this morning Deputy Under Secretary Studley say the President wants to improve access, to control costs, to give consumers better information on which schools they should choose with the outcome of having a perfect choice, so that they will graduate and not transfer and pay their loans, et cetera. We've heard a number of advocacy groups say, "We want to impose more accountability. We want to get rid of the bad actors. We want to make information more reliable." We've heard students say they need more information about security, programs, campus climate, and so forth. The overall question this begs is whether we're expecting way too much of a ratings system? Number one, can one thing do all of that? And more to the point, aren't there other partners that we're letting off the hook a little bit in this?

And I'd like to hear a little more about the role of college counselors in the high schools and how this information problem essentially is not just at the college level, but it's also at the high school level. Because it seems somewhere along the line there is a breakdown in college counseling if there's such a pervasive view that there is no data when, in fact, there's an ocean of data. Can you talk a little bit about that problem and how this system will impact that one way or the other?

David Hawkins: Sure, I'll be glad to. One of the reasons why I urge a great deal of caution in this effort is because we found in our research with school counselors, particularly those in public schools, that the uptake on new resources can go anywhere from three to five years. Some of the wonderful resources that the Department of Education has put out include the College Navigator³² – we may be the only organization praising it, but our members actually like it. It's got a lot of good information, and it's easier to use than its predecessor. That can take a lot of time.

I think what you said is absolutely accurate. There's a dearth of people in the schools to help students with this information. Families are out there, going it on their own. There is an ocean of data, which is one of the reasons why we've been so supportive of the Administration's efforts to get the consumer information out there. The challenge is that we have very limited infrastructure for disseminating that information. Given the time that it takes for that to really saturate the market, so to speak, if we're now moving on to a ratings thing – in my humble estimation, we haven't yet perfected or even really gotten the consumer information to a solid point. So I think that's a necessary precursor, and it's what at a very gut level suggests that slowing down the process seems desirable at this point.

Patricia McGuire: Thank you.

Maria Harper-Marinick: Anyone else care to comment on that? Ms. Zanders?

Joan Zanders: I would like to comment. I know from past experience that many of our high school guidance counselors feel overburdened. They have quite a caseload of students with a multitude of tasks, so college admission isn't necessarily their highest priority. Something that has worked for us at NOVA is a program called Pathway to the Baccalaureate³³ where we embed staff members from NOVA in the high schools and help students transition from high school to college. It's been a wonderful program. They put students through the admissions process, through the financial aid process; they do sessions for their students all year long, and it's been a highly successful program. We have something like 10,000 students in that program and counselors in the neighborhood of 13, 15 schools at least. It's been very successful.

Maria Harper-Marinick: Yes, Ms. Billy.

Carrie Billy: I think that's an excellent question. It really gets to the heart of this whole issue. I think you're right. I just went through the college search process with my daughter and the information is out there. You're exactly right; it's there. I actually like the College Navigator too. We used it; it was easy to use, and it had most of the information that the Department says they're going to collect with this new system – except employment and that sort of thing.

Anyway, the information's out there, but you're right, it's the education and counseling that's missing. For American Indians, we have high schools that don't even have college counselors. A real commitment to college counseling in the high schools and in the middle schools and getting the information out in an easy-to-understand way would solve a lot of the problems. It's an education issue – a lack of education about what's out there and how to use it. We're doing the same thing at Tribal Colleges, going in the high schools to create a college-going culture throughout our communities. That's really what we need.

Maria Harper-Marinick: Thank you. Yes?

Jessica Thompson: I'd like to respond to that briefly as well. I think it is a really important point and one that we have agreed with. That the number of very lofty, admirable goals that have been presented as hopeful outcomes for this ratings system are quite unlikely to be addressed by one ratings system. This is why, consistently, one of our primary contributions to this discussion has been to emphasize the importance of separating out the different processes required to meet these very different types of goals that we've established – from affordability to accountability to consumer information. Mixing them all together and pinning those hopes on something like one ratings system – the real concern for us is that we may end up doing unintentional harm to any or all of those categories. And it's very important that we distinguish those things. Not that they are not all important things that we should be progressing towards in terms of policy and practice.

This is one of the primary reasons that we – when we looked at a ratings system, which is not necessarily the most effective vehicle toward greater accountability – saw that this could be something that enhances preexisting efforts. David mentioned the Administration's consumer efforts of late that we have been very appreciative of, including the College Scorecard,³⁴ which is a great step forward although we think it has lots of room for improvement. The ratings system is something that could be seen as an enhancement of preexisting efforts for better consumer information that is from a trusted source, is comparable, and is also distilled in a way that is easy to understand and somewhat intuitive.

Again, a very important point and one of the reasons why we have focused our recommendations for a ratings system to focus first on consumer information – not that that is the number one solution to all of the important problems of access, affordability, and outcomes – but that we need to make sure that it is focused on a goal it can actually achieve. And we think consumer information is a more realistic goal.

Maria Harper-Marinick: Thank you. Yes, Ms. Cielinski.

Anna Cielinski: Thank you. I would just add that CLASP has also made a bright-line distinction between use of the PIRS system for accountability versus transparency and just echo that concern.

Maria Harper-Marinick: I want to say thank you to our panel for bringing your diverse voices to this conversation. It is valuable information, and we appreciate that you took the time to do that. Thank you.

Panel III

Maria Harper-Marinick: Good afternoon, everyone. My name is Maria Harper-Marinick. I serve as Chair of the Advisory Committee on Student Financial Assistance. I thank you for being here, and those of you who have been here the whole day, thank you for coming back after lunch. We appreciate your presence. This is the Committee's hearing on the Postsecondary Institution Ratings System. Before the break, we had two panels of testifiers on the ratings system, and we will continue that conversation by hearing the last two panels this afternoon. I asked the Committee's Vice Chair, Roberta Johnson, to lead us through the afternoon session.

Roberta Johnson: Thank you, Maria. I am pleased to introduce the five testifiers for our afternoon session.

- Mr. David Bergeron
- Ms. Sarah Flanagan
- Mr. Jee Hang Lee
- Mr. Jesse O'Connell
- Mr. Justin Habler

Welcome and thank you for being here today. As before, we will be fielding questions from Advisory Committee members once all of the panelists have presented their testimony. Please make sure your microphone is on, state your name, title, and affiliation before speaking. Also, please keep your testimony limited to seven minutes.

Let's start with Mr. Bergeron.

David Bergeron: Good afternoon. I'm very happy to be testifying before the Committee. I'm David Bergeron, Vice President for Postsecondary Education Policy at the Center for American Progress. I've been at the Center for about 18 months, and before that I spent a long time at the Department of Education. And from time to time, for random reasons, would end up being the Designated Federal Official for this Committee, and so I know it well, and I am really pleased to be joining you today to provide an overview of the Center's work.

We do a lot of work in the area of higher education. Over the last couple of months, we've put out two reports that I would call to your attention. One was a column I released back in January, with the title, "What Does Value Look Like in Higher Education?" It talked a significant amount about ratings systems, and I commend that to your reading. The other report is more field for the topic of this hearing, but I think it's important for you because I'll reference it. It's called "Lessons Learned: Implications from Studying Minority-Serving Institutions."

In the column that we released earlier in the year, we very strongly endorsed the development of a ratings system for higher education. In that report, we said that institutions should be rated on four key areas. One was whether the institution provides access to underserved populations. Whether the institution's affordable, after consideration of federal, state, and institutional grants, particularly for low-income and middle-income families. Whether the institution retains and graduates students from low- and middle-income families on time, and by that I mean two-year degrees in two years and a bachelor's degree in four

years. And whether graduates are successful in graduate study, professional education in the work force; and that the students and their families are comfortable repaying their student loans, either through service or through regular monthly payments.

In the report, we call for the creation of a ratings system that basically puts institutions into big, broad categories, not to rank institutions but to rate them, with the highest performing institutions performing well against all of the metrics that I talked about. We called that category a platinum category. Then, we talked about a second category where institutions, based on their performance against three of the four metrics, would get a gold rating. And we talked about the lower tiers of performance having particular consequences.

One of the things that we said in that report is that it's really important for us to recognize that there were institutions that provide access and are affordable but don't have good outcomes, in terms of graduation rates and ultimate outcomes for the institutions. When we look at why they don't perform well, often it's because of resource constraints that the institution has; it's incumbent on us to recognize when institutions are performing poorly. It may be because of resource constraints, and we should be finding ways, finding mechanisms, to make sure they have the resources that they need.

I referenced the minority-serving institutions report that we released. The reason I mentioned it is because we often hear that minority-serving institutions don't have outcomes that are as good as other institutions, and it's largely resource-driven. Historically, four-year minority-serving colleges outperform other four-year institutions, in terms of graduation rates. Simple measure – lots of reason to be concerned about that measure – but they've outperformed. Why? Well, it's because they have more resource per student than other institutions do. That is not true for minority-serving community colleges, so you see minority-serving community colleges not performing as well. We really need to think about, as we go forward and develop a ratings system, using it not just to penalize institutions but to make sure that we identify gaps in their resources and try to fill those gaps. And in our report, in our column from January, we make a specific suggestion for one way to address that, and I commend it to your reading.

The last thing I would say about this whole issue of ratings systems is the question of whether or not you adjust the metrics based on the inputs, the students that come into the institution. I've thought about this a lot, talked about this with colleagues a great deal, and I have come to the conclusion that I am personally very uncomfortable manipulating metrics based on inputs. I would much rather that we analyze the data, look at institutions within broad clusters of the types of students they serve, and then evaluate them within the cluster, than to make some mathematical adjustment to the ratings or to the underlying data that is used to put institutions in broad categories. I am very cognizant of the fact that there are many people who think we should be adjusting inputs, but I am not one of those people. I believe that we do that in the way that we cluster institutions for the purpose of analysis.

Roberta Johnson: Thank you, Mr. Bergeron. Next up, Ms. Flanagan.

Sarah Flanagan: Thank you. In addition to my remarks today, which I provided to you, and I hope you got a copy of, I also have provided you a letter that the National Association of Independent Colleges and Universities (NAICU) submitted in January of this year in response to the Administration's request for comments. NAICU is the premier advocacy association for the nation's private colleges and universities, and we represent all types and sizes of institutions. We have 963 institutional members.

First, I'd like to emphasize the important role that NAICU members believe the federal government could play in consumer transparency. Since its outset, NAICU members have been among the most vocal in their concerns with the *U.S. News and World Report* college rankings. As a matter of fact, when the

President of the United States talks about the *U.S. News and World Report*, he sounds like he is a private college president.

One of the best attributes of American higher education is its diversity, which reflects the great plurality of our people. But that diversity can also make it incredibly complicated and confusing for parents and students to sort through the array of choices. I have a high school senior; right now, we're in the middle of this process. As much as I know, we're both overwhelmed, because there are so many wonderful choices for him.

The federal government, with its access to millions of college aspirants and its credibility as an unbiased statistical resource, can play a key role in helping families sort through the many options before them. This isn't a new idea. In the 1998 reauthorization of the Higher Education Act (HEA), Congress established COOL (now called College Navigator). When COOL wasn't as precise as they wanted it to be, in the 2008 reauthorization, Congress tackled the problem again.

When progress seemed to be slowing, NAICU retained independent focus groups, and we tested all the ideas that were then in the air, from the Administration, the Senate, and the House, with parents and students who were in the college search process, first-generation college students, their parents, and those who had already experienced college. The result is a two-page simplified consumer's search tool called U-CAN. You can find it on our website. We have right now more than 600 active profiles from colleges.

Despite the long period of support by our sector for appropriate federal and consumer transparency, there's been a characterization by many in the media that college presidents are against the President's plan. Since we don't really know what's in the President's plan, let me try and use my time today to point out what I hear college and university presidents are concerned about. In general, our member presidents support the idea of the federal government identifying a series of metrics that it believes families may want to consider when searching for a college. There's a combination of factors that our research tells us both policy makers believe families should consider, and those that the family themselves want to consider.

Our U-CAN research also identified some areas that policy makers think are important, but consumers aren't very interested in, such as default rates. But that does not preclude the federal government from including that factor in a consumer information tool. They simply need to make a case to the families on why they think that factor is something important they should consider.

Similarly, the consumer should be consulted to find out what they want to know. For example, during our U-CAN research, focus groups told us that they wanted the profile to begin with a brief one paragraph description of each institution developed by the institution itself. Consumers believed this would give each school a chance to tell consumers how they distinguish themselves from the other choices.

So why is there all this angst? There's a great deal of concern over what the President's proposal will actually be. Will it be a consumer information system or a federal ratings system? Will each school be reduced to a simple letter grade? Or will a series of information points be available so consumers can better understand the nature of the institution and how it fares on an array of factors that may or may not be of importance to the family?

Most importantly, there is a concern that the creation of a simplistic ratings system will undermine the President's own access and completion goals, goals that are strongly shared by the higher education community. The creation of peer groups, the focus on numbers with too little consideration of institutional mission, and an ultimate goal of tying a final ratings system to the amount of aid an individual Pell student will receive will all hurt access and success and not improve it. Fortunately, recent

statements by key Department officials and studies by objective third-party experts seem to indicate that the Administration is accepting the need to address these unintended consequences.

The reaction to the Administration's plan will differ greatly if a series of thoughtful metrics on institutions are made publicly available and there is a pathway proposed to enrich these metrics with qualitative detail. The reaction is likely to be highly unfavorable if the Administration takes whatever metrics they think are important, and have readily available, and funnel them into a single label or rating of the institution as a whole. We do not know if there is traction or not for creating a single federal value label, but many types of labels are being discussed. We have consistently stated that we do not believe that it is even possible to rate colleges. The complexities of sorting by federally defined peer groups, by type, by geography, by student body income, level, or academic preparation – to name a few factors – becomes a mathematical maze.

Why don't we think a single rating system would work? The reasons are many, but they boil down to the problems with simplifying complex and varied factors. Consumer studies show that when a letter grade is used as an indicator, people equate overall product quality with the letter grade, even if that is not what's being measured.

To make a singular rating, the federal government would have to assign its own value of what's important and to what degree. The values that the federal government has an interest in and their relative worth may or may not be the same as those of a student searching for a good fit. For example, average loan debt may not be relevant to a student who is not going to borrow to go to college. Federal values will come in if the government makes a judgment for families on how to score these factors.

There has been discussion about rewarding colleges that serve a great public policy purpose, such as those that graduate a high number of Pell recipients. That is a welcome policy conversation, but somewhat irrelevant to non-Pell families and it's not the same as a consumer ratings system.

What might be possible are two distinct things. For consumers, it's possible for the federal government to create a simplified information tool, such as we did with U-CAN, which could guide families. To be helpful to consumers, such information should include qualitative and quantitative information.

The federal government has a separate opportunity to bring some long overdue recognition and support to those institutions that are helping first-generation college students succeed. This could be done in a number of ways. From a public policy perspective, for example, the federal government could reinvest in the Campus-Based Aid programs and target the money towards schools that are resource-poor because they serve and graduate more needy students.

Finally, we must remember that most college students are not traditional, they're not 18- to 22-year-olds living on campus and going full-time. More often than that, they are adult, part-time students going to an institution that is geographically close. Much of this debate is irrelevant to them. At the end of the day, the federal government has a wonderful opportunity to help those students and families who are now weighing options in higher education. We anxiously await the details.

Roberta Johnson: Thank you. We'll continue with Mr. Lee.

Jee Hang Lee: Good afternoon. My name is Jee Hang Lee. I'm the Vice President for Public Policy and External Relations for the Association of Community College Trustees (ACCT). We're based here in Washington DC. ACCT represents the trustees of our nation's community colleges, and it is my pleasure to testify today at the Advisory Committee's Summer Hearing on the design of PIRS.

This past January, I, and Sarah at NAICU also, submitted comments to the U.S. Department of Education on the RFI. Additionally, I testified on behalf of our association at one of the Department’s many field hearings, and we have engaged in numerous conversations with the Department over community college ideas and concerns. We would also note that we do applaud the recent comments about PIRS and that the initial version of PIRS may come in a draft form, which would allow further refinement and retooling through public feedback over the coming months.

As public open-access institutions, our published tuition and fees are the lowest of all sectors. Community colleges are very supportive of consumer information for students to select postsecondary programs that best suit them. However, the vast majority of community college students do not have the luxury or privilege of choosing from a broad range of potential institutions to attend, especially ones that may be out of state, but are instead seeking high quality, affordable, and specific programs near home or work. This reality of our student body is often missing as part of the conversation about consumer choice and accountability.

Additionally, the limitations on currently available federal data serve to make postsecondary outcome measures, such as graduation rate and transfer rates, nearly meaningless for institutions that serve nontraditional student populations. In fact, more than two-thirds of community college students do not “count” in current IPEDS data. We strongly support the development of more robust and complete federal data, including through a student unit record system.

We also note that the current consumer information that exists on College Navigator and on the College Scorecard on the White House website provide data that is routinely incorrect, out-of-date, or unverified. For example, cost of attendance has been manipulated at some institutions. We have significant concerns about using these affordability figures to inform ratings or policy absent an effort to “clean up” this underlying data. A recent Department Request for Proposal (RFP) even acknowledged the potential need to modify and order these faulty data sources in the future. In addition, we’d also note that institutions report their own graduation rates and some colleges have even reported faulty graduation rates due to data error or human error.

That being said, community colleges do wish to provide better transparency and to improve student success. Excellent examples are the Voluntary Framework of Accountability (VFA)³⁵ – of which I serve on the board of directors – or SAM, both of which capture a more accurate picture of community college student outcomes and could serve as a guide for useful evaluation of student progress. There is strong support amongst community college boards to provide better completion and transfer information for our institutions beyond the first-time, full-time category. And the VFA could serve as a model for PIRS outcome metrics.

It is also for reasons of usefulness and data limitations that we ask the Department to proceed with *extreme caution* in developing metrics for primarily associate degree-granting institutions until such time that more complete federal data are available. The college ratings system could greatly distort both institutional and consumer behavior in ways that further disadvantage low-income and nontraditional students. The system is also likely to be highly complex and subject to a significant degree of misinterpretation by policy makers and students. This complexity also leads us to believe that it is fundamentally *impossible* for PIRS to serve dual purposes as *both* a consumer information and an institutional accountability mechanism. Instead, the Department should choose one of these methods or design entirely separate systems to meet these divergent goals and uses.

If the Department moves forward with a version of PIRS using inadequate data for all institutions, we have additional suggestions for measuring performance that could improve the limited value of the

system, and specifically on metrics of access, affordability, and outcomes, as well as the development of comparison groups.

Appropriate metrics of affordability for community colleges should include tuition and fees, average net price disaggregated by living situation and dependency status, average net price for low-income students, the federal borrowing rates, and the median loan debt for all completers.

On measures of student access, community colleges also fare well due to our mission. But we caution using only Pell Grant recipients enrolled as a sole measure of access within an institution, as currently 42 percent of Pell-eligible community college students do not even fill out the FAFSA to receive federal aid. This is especially pronounced in California, for example. Compared to our colleagues in the four-year space, only 23 percent of those students do not fill out a FAFSA. The Department should collect information on the percent of enrolled students who request federal aid or receive any need-based aid at the institution, which would include state need-based aid.

Finally, on metrics related to student success and outcomes, data limitations are most disadvantageous for community colleges regardless of comparison groups. The current IPEDS restriction to first-time, full-time students will eventually be fixed in 2015-16 to include a greater proportion of part-time and returning students. Yet even then, many community colleges will miss key information about student transfer outcomes without a federal unit data system, and so skew the evaluation of community colleges where students transfer frequently.

The PIRS should base student success at primarily associate degree-granting institutions at 300 percent of normal time to give consideration to the majority of our students who attend part-time. Additionally, the system should avoid using overly simplistic and misleading cohort default rates when only 17 percent of community college students actually borrow, and it's even more pronounced in different localities.

Overall, community college trustees and leaders share a commitment that our sector will help transform the lives of students by improving institutional performance. Thank you for this opportunity to testify, and I look forward to your questions.

Roberta Johnson: Thank you. Mr. O'Connell.

Jesse O'Connell: Thanks. I'm Jesse O'Connell. I'm the Assistant Director for Federal Relations at the National Association of Student Financial Aid Administrators. We have over 3,000 member institutions, and 97 percent of all federal aid passes through the offices of our members. I appreciate the opportunity to testify today on behalf of NASFAA regarding the development of President Obama's proposed college ratings system.

Our members work with students and financial aid data on a daily basis and are well-positioned to provide input on this proposed policy initiative. We at NASFAA share the Administration's demonstrative goals of improving college access, affordability, and transparency, and have ourselves spent significant time wrestling with the challenging issue of how to create and disseminate consumer information that is helpful, relevant, and easy to understand.

However, as the Administration has pressed forward with the draft ratings system, we have voiced certain concerns that I'd like to articulate today. NASFAA remains adamant in our belief that any ratings system must adjust postsecondary outcomes for inputs, such as the academic experience and backgrounds of entering students. This would allow institutions to be judged relative to the demographic of students they serve.

The types of students enrolled in postsecondary institutions can vary wildly, even within the same region. Different institutions in the same sector may serve very different student populations. Take, for example, public four-year institutions in the Washington DC area. George Mason University, the University of the District of Columbia, and the University of Maryland are all in the same sector and region, yet they vary wildly in terms of their costs, their total enrollment, and the characteristics of their students, like percentage receiving Pell or attending school full-time. We will fall short if we use outcome measures like raw graduation rate to evaluate colleges unless we adjust for these wide variations in inputs. Adjusting metrics to clearly define student cohorts and predicted outcomes will allow for institutions to be rated on relative rather than standardized success.

A strong example of such an input-adjusted metric is the use of predicted graduation rate, a metric that uses student demographic information to determine an institution's projected degree of student success. The predicted graduation rate could serve as that school's expected benchmark, and it would be evaluated based on how close their actual graduation rate is to the predicted rate. As with most input-adjusted metrics, this would still incentivize schools to improve rates, but it would not unfairly penalize them through unrealistic comparisons or inadvertently incentivize them to simply stop admitting at-risk students.

Additionally, institutional characteristics that relate to mission should be considered as an input as mission often derives the ultimate makeup of the student body. Missions vary greatly among institutions even within a specific sector, and finding how to incorporate mission into the ratings will be a challenging task. While mission may ultimately be one factor used to compare institutions, it'll be critical for the ratings system to establish several controls to group institutions and provide prediction of outcomes based on an apples-to-apples comparison of institutional and student characteristics.

The current limitations of postsecondary data are another area where we see reasons to be concerned. General outcome metrics that currently exist are degrees conferred, one-year retention rate, and graduation rates. Yet the most frequently used of these data, retention and graduation rate information, are tied only to first-time, full-time degree-seeking students. This represents a significant limitation in our current federal postsecondary data. The growth of nontraditional students suggests that many students are not being captured in the current data collection. This becomes particularly problematic when considering a change to public policy based on these data. We're only seeing a partial snapshot of how students at any given institution are behaving.

As a result, the data as they currently exist are inappropriate for both consumer information and accountability purposes. If used in the ratings system, it's likely that the data behind these metrics would unduly penalize institutions that have high numbers of nontraditional students. Related, not all students who attend postsecondary education do so with the intent of obtaining a degree; and while those students may successfully complete their desired coursework, they don't represent a success under the current measures unless they actually graduate. We urge the Department to consider these serious data limitations and recognize the potential for this data to be inaccurate, incomplete, or unhelpful to students.

We must also continue the conversation about the need for a student unit record data system. NASFAA recently issued a report from our Consumer Information Task Force, and in it, we call for the repeal of the ban on the federal-level student unit record and suggest the development of a limited student unit record that collects more accurate and comprehensive data on contemporary student behavior. The pending release of this ratings system would seem to be an opportune time to revisit this issue and thoughtfully discuss the pros and cons of moving to a unit record system.

Finally, there needs to be a close examination through consumer testing of what type of information students and families find most helpful, relevant, and timely. Any new proposal for consumer information

will be an exercise in futility without statistically sound, quantitative and qualitative data that shows what information students and families really require to make informed choices. For example, last year, NASFAA conducted consumer testing on financial aid award letters, and after interviewing students and families, we found that they preferred certain specific information on an award letter, some of which was very different from what ended up on the Department of Education Shopping Sheet.

We've urged the Department to conduct detailed consumer testing on recent initiatives like the Shopping Sheet, the Scorecard, and the College Cost Comparison Worksheet³⁶ before making these public. With this ratings system effort, we encourage the Department to involve students and families early and often to ensure that the information is relevant and useful.

Even should these three broad concerns that I've outlined be addressed, I'm still left with an important question. What does success look like? When we find ourselves five years down the road with this ratings system, how will we know if it has worked? To this point, it doesn't seem like it's been clearly articulated what exactly it is that we're seeking to change.

I'm confident that the Administration will take every precaution when creating a metric system that will apply to a diverse set of institutions that operate under varying missions. I was pleased to offer these comments today on behalf of NASFAA and recognize the effort and intent on the part of the Administration to improve the college-going process for future students and parents. Thank you.

Roberta Johnson: Thank you. We will now conclude with Mr. Habler.

Justin Habler: Good afternoon, everybody. Firstly, thank you to the Advisory Committee for allowing me to speak here today, and thank you to my fellow panelists for sharing all of your thoughts and concerns. You're all appreciated for your commitment to higher education.

My name is Justin Habler, and as Legislative Director, I shall be speaking on the Postsecondary Institution Ratings System on behalf of the United States Student Association (USSA). The USSA is an independent political organization of 1.5 million students across the country that focuses on issues of higher education access and affordability. In 2012, we registered 135,000 students across the country to vote, but we don't just stop at voter registration. We engage students in the issues they truly care about, like preventing campus sexual assault, recruiting and retaining underrepresented communities in higher education, as well as increasing student financial aid.

At the USSA, we share a unified vision where an individual, regardless of race, gender, class, ability, or documentation, has a right to college education. Now, as I made my way into this room, as per usual, I prepared myself to be the youngest person testifying. This being the case at hand, I would actually like to take advantage of my position and provide some meaningful and insightful context to the feedback I'll be providing you all today.

Only four months ago, I graduated from my state school, Rutgers University, with honors, a very strong GPA, and a double major in Chinese and political science. However, I wasn't always the student my grades reflect. My very first year of college, I was failing multiple classes. If I continued down the path I was on, I would not have graduated on time, and I possibly would not have graduated at all.

That very first semester after class, my Chinese teacher pulled me aside, looked me in the eyes, and said "Aiya, ni you shenme wenti?" which means in Chinese, "What is your problem?" From there, he simply sat down with me. He worked with me. He invested in me. Now, I am here before all of you today prouder than ever to say I am the national Legislative Director of the United States Student Association.

If it wasn't clear, I recite this story to emphasize a point. Namely, when someone is failing, you help them succeed. What our country needs the most is to invest in our students who are failing, and the students who are set to fail due to the circumstances of their birth. This ratings system, upon the condition that funding is tied to performance, will be diametrically opposed to exactly that.

Instead of punishing failing schools for performing below our set of standards, we must identify what is wrong and invest in those students' success. Withdrawing funding from failing schools is indisputably going to bear drastic implications in the lives of the very students the system intends to empower, especially in areas deemed "education deserts" with remarkably low access to colleges and universities, areas with high concentrations of low-income and underrepresented communities. The system is going to disproportionately jeopardize their futures.

If this ratings system is implemented as currently proposed, what we are going to see is a vast decrease in the amount of Americans enrolled in colleges as a result of a policy that was meant to encourage college. I should make this as clear as day. We cannot tie funding to performance.

A ratings system that solely informs students on their college options, however, is a beneficial policy. Yet, it is simply not enough. It's no more than a commonsensical policy that should be on the periphery of actually mitigating the financial burden we are calling a postsecondary education.

If you're looking to enable students to make the right choices, how about we start with giving them the choices to begin with? A ratings system of this nature is more of use to policy makers than it is to students. Policy makers are meant to serve. A student living in poverty doesn't need a ratings system to know they won't be able to afford school. As leaders in the field of higher education, the responsibility falls upon all of us to ensure that the policies we facilitate are helping all students, not just some of them, while harming others.

The United States Student Association, the oldest and largest association of students, shall perpetually give everything it has, every single shred of energy and every bit of passion we possess, for the students of this country to ensure higher education is an inalienable right, as opposed to a circumstantial privilege. As you all make your decision, do not forget this. Thank you very much.

Roberta Johnson: Thank you to each of our panelists for your testimony.

Q&A: Panel III

Roberta Johnson: At this time, I would like to open the discussion of this panel to questions from the Advisory Committee members. Andrew.

Andrew Gillen: This is a question for Mr. Bergeron and Mr. O’Connell. One of you is reluctantly against input adjustments. One of you is adamant about using input adjustments. Could you both expand a little bit on why you think they’re important; why you’re reluctant?

David Bergeron: I am someone who spends a lot of time looking at data at the Department and thinking about this question of input-adjusted metrics, and I came to this conclusion kind of reluctantly. And my reluctance is – I like the science behind input adjustments, and it really suggested to me that that’s the appropriate approach. But I think back about the fact that if we do everything based on input adjustments and don’t really create a system which rewards and acknowledges institutions that are vastly outperforming our expectations, we’re not going to get to a place where we have other institutions emulating that.

So the math and the behind the scenes nature of the input adjustments will make it harder for institutions to say, “What is that institution doing that’s in my peer group that makes them so much better than my performance?” And go there and learn how to emulate what they’re doing, adopt it to your own campus, and improve your performance there. I think that with input adjustments, we’ll discourage that. That’s kind of how I came to this conclusion that I would prefer to do it by putting institutions within appropriately designed peer groups and evaluating institutions within those groups rather than making an input adjustment.

Jesse O’Connell: I appreciate the question, Andrew, and as I said at the top, we drew our feedback from talking to our membership. For financial aid administrators, one of their broadest points of context is working with the accountability metric of CDR, while at the same time not really having any control over borrowing limits on much of their campuses. This is a concern we certainly heard from community college administrators frequently.

Knowing that for a long time they’ve been faced with being held accountable for how their students are doing once they’re in repayment, but not really being able to give a lot of input in terms of limiting the borrowing or controlling the access that students have to these funds, I think they saw a parallel here with this. Our membership is worried we’re going down the road again of looking at an accountability system that also isn’t looking at how the inputs are adjusted.

Roberta Johnson: Thank you. Pat?

Patricia McGuire: I’d like to follow up on that line of questioning to pick at it a little more, and I think appreciating both points of view here. One of the things that I really appreciate about what Mr. Lee particularly said, and also Mr. O’Connell, is that nontraditional students account for almost 75 percent of all students enrolled in higher education today. And yet, Mr. Bergeron, when you spoke, you talked about timely completion in a two-year or four-year framework, which is the old, very traditional – fewer than 20 percent of students.

The question I think that we’re picking at is not just adjusting inputs – which is one very important issue of how student behavior does affect institutional outcomes, you can’t just say an institution can control all of its outcomes – but looking at the data sets themselves, do we have the right data sets aligned to measure the kind of students we have in higher education today? Or is our notion of the data set all predicated on a full-time, four-year, 18- to 22-year-old going lockstep through college? It’s not just about

adjusting for inputs. It is about changing the data sets that we're looking at. Is that a valid question or not? I'd love to hear some discussion.

David Bergeron: Pat, I think it is a very valid question. That limitations in the data that are available to the federal government to assess American higher education is very limited. It's limited very intentionally; it's limited because of Congressional action; it's limited because of thoughts and discussions that began more than a decade ago. And we really have to change the conversation. I agree with my fellow panelists who said that we need a unit record system. We need a unit record system that allows us to evaluate the performance of students against their goals and the goals that are related to why they chose to enroll in a program at a particular institution. That would give us the ability to develop much more robust and much more appropriate measures.

I do worry that if we wait until all that happens, we will lose an opportunity to identify the gaps in our funding of institutions, so that we don't address the underlying factors that would lead institutions to fail their students that often are related to the funding that they have available. We need to begin to figure out how to get to the place where we say, "This institution provides access, is affordable, but can't deliver on what we want for their students because they just don't have the resources." And then figure out a way to get them the resources.

Jee Hang Lee: Relative to some of the examination of some of the potential outcomes that you might want to have in a ratings system, I think, for at least the community college sector, one of the things that we have is the VFA. We do first-year retention rates. We do progression from remedial to college-level courses, and with that – we just do as a caveat, because getting from remediation, you might be on the lowest tier, and getting up to the top and getting college-level is actually a humongous success for our community colleges to get that student up to that level. We also talk about student attainment of 15 and 30 credit hours. I think those are some points that we would say from a nontraditional perspective might be things that you would also want to have in addition to having graduation and then transfer rates.

The one thing that I would just note, that I had to take out of my comments to fit it under seven minutes, is that we had some long discussions about how to take a look at the two-year sector broadly. David mentioned two-year graduation rates for two-year institutions. Miami Dade College is fundamentally different than Gateway Technical College. They have a different student body, their missions are fundamentally different, and their course offerings are fundamentally different. We have neighboring community colleges; as my colleague David Baime mentioned, Montgomery Community College has only about 20 percent of Pell students. If you go to community college in Philadelphia, you'll have more than 50 percent of the students receiving Pell. So as community organizations that are drawing students from the community, it's a little bit difficult to say X community college is better than Y community college, when in reality we're just pulling students from our communities.

That's one of the caveats that we would mention as you look at this. And that's why we do support the idea of using some risk-based adjustments to the ratings system – is to try to take a look at who is serving what and do a little bit more of a fine-tuning relative to the ratings system.

Roberta Johnson: Any other responses to Pat's question from the panel? Any other questions that we'd like from the Advisory Committee?

Patricia McGuire: Can I ask a follow-up?

Roberta Johnson: Yes, absolutely.

Patricia McGuire: Given everything you just said, David, and understanding that – I asked the question this morning, and I’m going to ask it again of this panel – you can’t wait forever to do something and that action is better than inaction, is it ethical to assign a rating to an institution based on flawed data? I think that’s part of what the higher education community is worried about, that the Department will release ratings that in fact will harm institutions, will discourage exactly the students who the Department and the President says we want to enroll from attending institutions because it’s based on something like the graduation rate for first-time, full-time traditional students – which is not actually the success rate for many institutions. Can you comment on that? How do you avoid that harm and do what we’re proposing to do in a way that has integrity and doesn’t cause needless harm?

David Bergeron: When I was at the Department, one of the things I worked on just before I left was the Financial Aid Shopping Sheet and the College Scorecard. One of the things that we struggled with developing – particularly the College Scorecard – was this issue of data, and whether or not there was adequate data to populate the Scorecard. We ended up limiting that tool to degree-granting institutions, and we limited it to degree-granting institutions because the metrics that were being applied weren’t appropriate for non-degree-granting institutions.

I would suggest that the way we address this is to look at the institutions first that the current national data support evaluating, evaluate that set, and leave everybody else out of it until we can develop better data. Again, I think that this is one of these circumstances where we need to begin moving incrementally with the data we have to prevent the loss of another decade of students who are poorly served by our institutions. Not because those institutions wanted to serve them poorly, but because we don’t support the institutions appropriately – what they’re trying to accomplish.

Jee Hang Lee: I would say that we have concerns about the system and how it’s going to unfold. I would say to you though that the data is the biggest problem and as PIRS comes together and whatever system that we put together, there’s going to be some flaws. I do think though – honestly, the Department could do a lot more on the data. For example, on cost of attendance, I mentioned there’s some manipulation going on. I could tell you there are some institutions that have decided that they’re going to put room and board charges that are significantly lower – I’m talking thousands upon thousands of dollars lower than their neighboring community college or their neighboring four-year public institution. They’re gaming the system; they’re changing their net price. If the Administration is going to judge institutions on affordability and access relative to net price, they have to do a better job of taking a look at that data.

If they’re going to take a look at CDRs, for example, I have a community college that’s about 45 miles from here that had a cohort default rate of 50 percent in FY09. Two students, one defaulter. The college had not been in the loan program since 1995, 1996. If you’re using CDRs as a metric to establish accountability for that institution, that’s another significant problem.

We just ask some type of modification or some type of understanding that all data is gameable, but the question is whether we can get to a system where we can say this data looks right. I talked to an individual who’s in the crowd, Tod Massa. We would ask the Department, take a look at Virginia’s data. Virginia can give you the graduation rates of every single institution in the state for 10 years. They have wage data that they just released earlier this week. At a minimum, we think utilizing current state data, states that have strong longitudinal data systems like California, Kentucky, and Virginia, would be a good step. Because then you could model and see what your ratings system would look like if you utilized and took a look at their own data.

Jesse O’Connell: I don’t really have a comment on the ethics, but I think I can offer a little bit of insight on the efficacy of such a system. You know, if there’s one thing aid offices know about, it’s consumer information. I mean, we’re sending out the Scorecard, the Shopping Sheet, award letters; we’re directing

kids to College Navigator. On top of that, we're sending out a myriad of consumer disclosures, many of which have nothing to do with financial aid.

And what we hear from our families – what our members are hearing in our offices from our families – is that it's overwhelming. It is a blizzard of white noise and very few things really are cutting through that. Is this ratings system going to be something that cuts through that noise, or continue to add to that overwhelming pile of information that they then feel like – if I can't sort through all of this, I might as well just ignore all of this. This is at the student level, this is at the parent level, prospective families, families that are already in school. I think the biggest question that we would have is whether this is, yet again, sort of one thing too much.

Sarah Flanagan: I just want to take us back a step because we keep getting into this data question. And underlying the data question is the assumption that we have good and bad colleges out there. I think we have good and bad fits for individuals. This concept that if only we had enough data – and I don't know why we don't use the data that we have had since 1972 that tells you where Pell Grant students and every student that has taken out a loan has gone, and is at the Department of Education. Congress has been screaming since the 1980s about the lack of quality in the National Student Loan Data System. So there are the students that the federal government has invested in, and that information's available if we want even more data.

But with all this data, what does it add up to? As Einstein famously said, "Not everything that can be counted counts, and not everything that counts can be counted." One of the things that we found out in our focus groups is that when you step back, there are qualitative things about the nature of an institution families want to know.

Trinity Washington University, where we are sitting, is not like Catholic University. Trinity is not like Wellesley. Yet in any peer group that gets put together, Trinity could be put with either one or both of them. So we need to step back and say, "What is it that we are trying to do? What are our basic assumptions? Is this consumer information? Is it a 'got-you' thing?" As you think about peer groups, I'd love to get together 10 presidents in the room and ask them, "Who do you think are in your peer group?" Because they will not agree among themselves who their peers are.

The peer group really comes down to an n of one. The peer group for my son when he starts applying to colleges this fall is the group of schools that he applies to. I can tell you he will have publics on there; he will have privates on there. He will have in-state, and he will have out-of-state. He will have small, and he will have big. Because he is totally confused by all the information he's getting.

We need to take a step back. One of the problems with this conversation is that we are discussing the topic from an analytics point of view and forgetting the human dimension. Poverty matters, learning disabilities matter, student motivation matters.

Our diversity in American higher education is so important. The costs in an art institute are higher because you have to have studio space. I mean, all of these things come into play, and we are acting as if we only had a couple more data points, we could find out who those bad schools really are. I think it's a negative conversation, and it's not one that's going to help advance progress. There are many, many things we could be doing to help the institutions that are resource poor and are serving a lot of low-income students, and there's a lot we could do to help families sort their college options. But to do anything worthwhile, we need to back up and keep our minds on the big picture.

Roberta Johnson: Thank you. Michael, I believe you had a question.

Michael Poliakoff: One of the ideas advanced this morning was that there should be a threshold or a bright-line, particularly at the low level that would trigger action, if not consequences. The testimony pulled out of the air 10 percent, but somebody might say 8 or 12. The question is what is the feasibility – in the eyes of this panel – and indeed the appropriateness of looking towards some kind of threshold, particularly at the bottom, in creating a trigger for action?

David Bergeron: This is something I've thought about a lot since I left the Department and joined the Center for American Progress. I do not know why it never dawned on me that an institution of higher education does not exist if it graduates no students. Let's start there. If an institution graduates no students, can we all agree it is not an institution of higher education that should be receiving Title IV funds?³⁷ I think you start there.

Where you draw that line above zero, whether it's 7 percent, 10 percent, I do think that we have to address that. There are accredited institutions – I hoped I'd get through this time without mentioning accreditors – but these are institutions that are accredited by nationally recognized accrediting agencies and have been for years.

I think we do have to have a very serious conversation. In my paper, I called these institutions that we're talking about "lead." They sink to the bottom, and we ought to deal with them differently than the way that we deal with everybody else. I don't know what the process is, but I do think we need to all come together and say there are certain things that are unacceptable and say what those are. And then institutions that do those things or don't do those things to a level we say is acceptable, get them out.

Jee Hang Lee: That was Ben Miller's comment about creating bright-lines and creating thresholds for our institutions. During my testimony, I noted that two-thirds of our students are unaccounted for within IPEDS because our students are contemporary students, so therefore they go part-time and are not part of the first-time, full-time cohorts.

The additional thing that I would just mention is that when you go to a community college, you go to a board meeting, you look at the mission of a community college. Most missions of community colleges do not include the word "graduation," "graduate." I think that is one of the big issues that boards have. I'll be honest, we had an event where we had a staffer come in and talk about how the sole mission of a community college was to graduate students. For those of us – you know, the chairs, awards for a community college, you could probably best articulate this. The role of a community college is fundamentally different for each region based upon what the community is looking for them to do. We have institutions that provide more certificates; we have some that are just purely transfer-based institutions that are pumping students in and out and students come to that institution to transfer to the local four-year public institution.

I would just have a certain level of pause. Obviously, David started with a threshold of zero, so I can't necessarily argue that that threshold of zero is not a bad starting point. But when he said everybody else, my question is, who is everybody else? Are we talking the diversity of community colleges is just as bright as the diversity of four-year public institutions? And the diversity of four-year public institutions – we have Hispanic-serving institutions (HSIs), we have historically black colleges and universities (HBCUs), we have predominantly black institutions (PBIs), and then we have the land-grants. In between, we have the University of Alabama that is paying their football coach a lot of money for winning championships and that is probably what some of my community colleges' operating budgets are. So I just wanted to throw that out and have some pause and concern with just having a bright-line.

Roberta Johnson: Okay. Are there any other questions from the Advisory Committee?

Patricia McGuire: This exchange is very important, so I don't want it to be lost. Thank you, Michael, for asking the question, and David, your comment actually frames the issue quite well. The fact is that, and I'm not saying an institution should have a zero graduation rate, but there are institutions with low graduation rates according to IPEDS that actually have large degree attainment and that award many degrees. This is what I was referring to earlier about the flaw in the way the data is captured.

We are focusing on the first-time, full-time seat time and completion at the same institution, at what I call the brand loyalty rate – do they stay where they started – instead of focusing on what the degree productivity is, if there were a role in this discussion to look at degree productivity or credential productivity. Also in the national discussion, because it's the same problem – the headlines that nobody finishes college, which is not true. They're talking about graduation rate as opposed to degree attainment rate, which is very, very different. Is there a space where we could change that discussion to look at that kind of data?

David Bergeron: I think that we have to start from the conversation that we just had, which is we have to all agree that there's a level of performance that is unacceptable. Then we figure out how's the best way to measure it. What's the right metrics? I don't disagree with Jee Hang either, that for community colleges particularly, we need to think about whether it really matters whether people get degrees. Is transfer enough? I think it is. But if we say, we can't get to a place where we judge, we're not going to get to the right conversation. If we rely on accreditors or states to do this for us rather than say that we own this because these are federal funds, I'd worry that we'll just never get there.

But whether it's degree attainment rate, as opposed to graduation rate, I don't have a strong opinion. I just believe ultimately we have some institutions that none of us would agree are really institutions of higher education, and it's not because the boards don't think that they are.

Sarah Flanagan: I just want to add one point here. And that is that who graduates from an institution and the number of degrees and credentials awarded is public information. You can go to any graduation ceremony, and pick up the information in any program on any chair. I would think that there would be something we could do that would look at the number of degrees and credentials awarded and do some sort of weighting based on FTE that would be fairly simple to do and wouldn't take 10 more years to create.

Roberta Johnson: Final comment by Maria.

Maria Harper-Marinick: Jee Hang, it's a question for you, and it could be a yes/no question. Has there been any openness on the part of the Department of Education to learn about the VFA work and the potential impact on the system?

Jee Hang Lee: We have actually, as part of AACC's and ACCT's public comments, distributed to them what's in VFA – so graduation rates at 100, 150, 200, and 300 percent. We have provided them with some examples of accountability metrics that would fit within the community college sector. And as I noted, the retention – first-year retention, remedial to college-level, 15, 30 credits – all of those things were submitted to the Department for their consideration. I think the biggest barrier – and this is why it's an interesting conversation to have – is that sometimes we talk about higher education and we have one conception of what our higher education system looks like, when in reality, our higher education system is as diverse as the students that are attending our institution. And sometimes we, especially the policy makers, lack that clarity sometimes.

Roberta Johnson: Thank you. I'd like to thank all of our panelists in this session. This concludes Panel III. Thank you again very much.

Panel IV

Roberta Johnson: I am pleased to introduce the five testifiers for our fourth and final panel of the afternoon session.

- Mr. Daniel Madzellan
- Ms. Lezli Baskerville
- Dr. Michelle Cooper
- Dr. Andrew Kelly
- Dr. Sara Goldrick-Rab

(Panelist bios can be found in Appendix B)

Welcome. Thank you for taking the time to provide your testimony. Again, we will wait to field questions from members until all panelists have spoken. As a reminder, please make sure that your microphone is on, and please introduce yourself before testifying. You are each allocated seven minutes, and I will try to give you a one minute warning when you're closing in on your time. We will begin with Mr. Madzellan.

Daniel Madzellan: Thanks, Roberta, and thanks to the Committee for inviting me. It's a little bit odd for me to be looking in this direction. I, for a number of years, occupied the seat that my friend Carney McCullough is in, as the Designated Federal Official. But that was then, and this is now. So again, thanks for having me.

With respect to the President's plan for rating colleges and universities – of course, this was not the Department's idea – this came from the White House, a year or so ago. The Department is tasked with this job, and this is something that is not only difficult – the Department has indicated, at least initially, that they're relying on data they have on hand, and I'll talk a little bit more about that in a moment – but there is also a short time frame for this. So, a difficult task with not much time to do it in leads to, again, many challenges. I think we're seeing that from the Department where they've hedged a little bit on when the first iteration of this will be available.

The other thing is this is a ratings system; it's not ranking, it's not like U.S. News and World Report – it's more objective. You put some data, do whatever it is you do with it, and you get some numbers and rank those from one to whatever, X. So it's really not that. Again, as I say, ranking systems are pretty straightforward, pretty objective. I'll point out that my Washington Nationals are ranked first in the National League East, as we sit here.

But a ratings system has some subjectivity to it. In my mind at any rate, you think a little bit about letter grades. After all, we are in academics here. If you're going to have a ratings system, that means you need to know something about the underlying values for that system. I think that leads us to three important questions. The first question is what's the purpose of the system? Is it about consumer information, or is it about holding institutions accountable for performance? Of course, the Administration says it's both. But if we just think about the consumer information side of it – for a moment – of course we have the White House Scorecard; we have the College Navigator. Do we need yet another consumer tool based on those same data?

Or is this an instance that we haven't quite gotten it right yet, and so we're going to continue trying until we get it right. I mean, not having gotten it right yet, we can think back to IPEDS COOL, predecessor to the College Navigator, Model Financial Aid Offer Forms, Shopping Sheet, Know Before You Owe.³⁸ We have some gainful employment program disclosures and in reporting that's going to be coming online shortly. So again, what is the purpose?

The second question, and this informs the purpose of the system, is data quality and availability. I know you've heard a lot about that this morning and this afternoon. It seems to us the critical measures are retention, persistence, and graduation. Of course, we know that the IPEDS data are not so good on that. That's not the Department's fault, that's basically the Student Right-to-Know Act.³⁹ Yes, we have had graduation rates for 20+ years, but that's in legislation – Student Right-to-Know from about 1990 or so. The persistence or retention rate that the Department has is in IPEDS – again, first- to second-year rates for bachelor degree candidates.

I'll just throw out a couple of data points, just for illustration. These come from the National Center for Education Statistics' (NCES's) Beginning Postsecondary Survey (BPS),⁴⁰ part of NCES's postsecondary studies program. BPS follows a cohort of first-time, first-year students for six years. In the most recent BPS, we know that if you're a first-time, first-year student at some place other than a community college, then it's about 93 percent of first-time or beginning students – first-time students who are full-time – and they'll be in the cohort. Community colleges, that's 60 percent. So 40 percent right away out of the Graduation Rate Survey (GRS) or Student Right-to-Know graduation rate cohort.

So nontraditional students, it is important to consider those. Indicators of transfer behavior, we know that, as with Student Right-to-Know, Graduation Rate Survey, and IPEDS, are not so good. Look again at the BPS data on attainment rates. If you look at the last institution attended, the increase in attainment compared to the first institution attended, is about 25 percent. Again, I know you've heard about the shortcomings of the Department's data, and I'm just trying to give you some real life examples of that.

Of course, ED can get better data. They can't do it quickly. We assume they will have better data at some point in the future, but it calls to mind a comment here by previous Administration officials who said that you go to war not with the army you want, but with the army that you have. And I think that's a real case here.

Last point is around peer groups. Every college in the country has at least two peer groups: the colleges that they compete with for students and the colleges that they want to compete with for students. This is critical for the Department, especially if it's going to be an accountability measure, and if the goal is institutional improvement, then it's important to have peer groupings that are going to stay relatively consistent over time. If that's the case, then basically you need to get your groupings right the first time. Again, this is not an easy task. There's a short fuse associated with it, and I'm glad I'm not at the Department any longer. Thank you very much.

Roberta Johnson: Thank you, Dan. Ms. Baskerville.

Lezli Baskerville: Thank you. I am Lezli Baskerville. I am President and CEO of the National Association for Equal Opportunity in Higher Education (NAFEO), which is the umbrella membership association of the presidents of the 105 historically black colleges and universities and roughly 75 predominantly black institutions in 35 states, the District of Columbia, and Virgin Islands. I am delighted to be here with you at Trinity Washington University, President McGuire. I thank you for the remarkable job you are doing here at an institution that qualifies as a predominantly black institution. Trinity Washington University has a remarkable mission, and with your vision and leadership, Trinity

Washington University is a thriving equal educational opportunity institution that exemplifies excellence and a commitment to expanding access and success.

Patricia McGuire: Thank you.

Lezli Baskerville: In the interest of time, unless someone wants to ask me during questions, I am going to assume that each of you is familiar with the richly diverse colleges that comprise the NAFEO membership. Yes? Mostly? Good, good. I'm going to submit for the record an article by the *Journal of Blacks in Higher Education*. It contains some current data about the student demographics at our institutions as it relates to the specific matter we're discussing here today. I have already submitted my written statement for the record.

A 19-member NAFEO assessment council, involving presidents and chancellors, others from our campuses, researchers, and several Educational Testing Service (ETS) executives, identified a number of data elements and metrics – methods of data collection, methods of weighing or scoring, and frameworks for assessing the performance of American colleges and universities that we believe could capture the important outcomes of colleges and universities doing the lion's share of educating the growing populations of the nation and those seeking to enter and persist in college. HBCUs are at the top of this cohort of colleges and universities. They enroll diverse students, disproportionate percentages of whom are low-income, first-generation, and African American students. I'd like to note at the outset that NCES concluded as early as 2006 that the United States does not have one metric, or even a handful of common metrics, that could paint a picture of the accomplishments of its more than 2,500 four-year and 1,600 two-year institutions. We concur with Dwyer, Millett, and Payne, who said “there is no commonly used metric to determine effectiveness – defined in terms of student learning – of higher education in the United States.”

Accepting of those observations, NAFEO was pleased to note that the Obama plan, as originally presented, proposes to link accessibility, affordability, and outcomes. The original vision was to have metrics that assess equity, access, and success against the unique and diverse missions of the nation's colleges and universities. We believe that the right type of data gathering or strategic organizing of currently collected data can assist institutions in better realizing their missions, and can also assist in moving the nation to redoubling its effort in closing the achievement and the attainment gaps and devising a comprehensive set of methodologies and performance metrics to level the education playing field.

We believe that the proposed ratings system should include risk-adjusted metrics; assess institutions on expansion of access and close the achievement and attainment gaps; take into account the socioeconomic makeup of students on a campus and the wealth of institutions; establish benchmarks in reading, math, and critical thinking across all two- and four-year institutions; include critical domains that align with employer priorities for college student success; incentivize and reward affordability and preparation of larger numbers of low-income students for growth and high-needs disciplines; respect and align with regional accrediting standards; and control for the vast differences between institutions, especially the mitigating and difficult barriers encountered by low-income, first-generation students, and the fiscal challenges of the institutions that enroll disproportionate percentages of low-income, first-generation students.

In a report titled “Undermining Pell: How Colleges Compete for Wealthy Students and Leave the Low-Income Behind,” the New America Foundation found that at hundreds of well-endowed colleges, low-income students must still pay extremely high prices even after all grant and other aid is applied. The report suggested that this happens, because “these institutions prioritize not on the basis of need-based aid, but on the relentless pursuit of prestige and revenue.”

President Obama has suggested that one of the goals of a new ratings system would be to incentivize more colleges and universities to graduate low-income students. The HBCU and PBI communities share this goal to be sure. However, a ratings system must first reward the colleges and universities that enroll disproportionate percentages of low-income students and provide these institutions with incentives and adequate resources to continue doing so, and to graduate their students on time. A new ratings system must reward institutions like HBCUs, PBIs, and other MSIs that are graduating disproportionate percentages of low-income students, bereft of adequate resources, by providing them with a cost of education grant. The Advisory Committee on Student Financial Assistance, ETS, and other education research organizations have long affirmed that lower graduation rates at some institutions are directly correlated to the disproportionate percentages of low-income students enrolled.

In “Measure Twice: The Impact on Graduation Rates of Serving Pell Grant Recipients – A Policy Bulletin for HEA reauthorization by the Advisory Committee on Student Financial Assistance,” the Advisory Committee found a direct, adverse impact on students’ six-year graduation rates and the percentage of first-time students who are Pell recipients, the average test score of the student body, and level of endowment per student.

I’m going to quickly go through some of the other key, critical components of a ratings system in our view. As I indicated, I have submitted for the record the entirety of the NAFEO recommendations.

The ratings system must assess institutions on expansion of access and closing achievement and attainment gaps. I talked some about this in the opening. Federal higher education policies and assessments must focus on enhancing access to and success in post-education, but equally, move the nation’s diverse colleges and universities toward closing the achievement and attainment gaps.

A ratings system must foster and reward universities that enroll and graduate disproportionate percentages of students from the lowest performing high schools and families of least advantage. It should not measure graduate earnings or student loan debt.

A ratings system must establish benchmarks in reading, math, critical thinking across all two- and four-year higher education institutions.

A ratings system must take into account the socioeconomic makeup of students on a campus (as measured by Pell Grant eligibility and other factors): the wealth of the institutions; the mission, vision, values of the institutions; the state investment level in higher education; the extent to which an institution enrolls and graduates veterans and other nontraditional students; the geographic area of an institution; and leveling the playing field.

Consideration must be given to the entry level of academic preparation of the general student body at an institution. Any metrics that might have a chilling and inhibitory impact on the colleges and universities that are currently enrolling a range of students, including disproportionate percentages of low-income and first-generation students, must be rejected. We believe that it would be inimical to the national goal of having 60 percent of Americans with a two- or four-year college degree, and closing the achievement and attainment gaps, to include in the assessment, graduate earnings. We urge that you reject this as one of the criteria.

A ratings system must incentivize and reward affordability, preparation for growth in high-need disciplines, and services in areas of highest distress.

The ratings system must also include critical domains that align with employer priorities for college student success. This is extremely important. The Association of American Colleges and Universities

(AAC&U) did a survey – I don't know whether it has been made part of this record, but I will submit a copy of the survey findings for the record and you will see my written text – of what employers find to be the most important competencies for colleges graduates.

A ratings system must respect and align with the regional accrediting standards. The regional accreditors are already predominant in the ratings domain; that is their task. Whatever ratings system the Department of Education establishes must align with the regional accrediting standards.

I will close as I opened by underscoring the importance of a system that does an assessment of institutions on expansion of access, closing achievement and attainment gaps, and that will foster and reward universities that enroll and graduate disproportionate percentages of students from the lowest performing high schools and families of least advantage. (If anybody wants to know the difference between, or why I say percentages as distinguished from numbers, I would be pleased to discuss it during the question and answer period.) The ratings system must establish benchmarks in reading, math, and critical thinking across all two- and four-year higher education institutions; take into account the socioeconomic makeup of the students on a campus; the wealth of the institutions and the missions, visions, values of institutions; consider state investment levels in the institutions, especially during this time of state disinvestment in higher education; and consider the extent to which an institution enrolls and graduates nontraditional students. It has to incentivize and reward affordability, preparation for growth and high-need disciplines, and service in areas of highest distress; include critical domains that align with employer priorities for college student success; and respect and align with regional accrediting standards.

I thank you for the opportunity to present this overview, and I look forward to engaging in dialogue and answering any questions you may have.

Roberta Johnson: Thank you, Ms. Baskerville. Dr. Cooper?

Michelle Cooper: Good afternoon. I am Michelle Cooper. I am the President of the Institute for Higher Education Policy (IHEP). For over 20 years, we at IHEP have been committed to increasing college access to and success in higher education for all students, but with a particular focus on underserved populations. Before becoming IHEP's President, I served as the deputy director of the Advisory Committee on Student Financial Assistance, so I am deeply honored to be here. I am deeply delighted just to see the Advisory Committee continuing to uphold the commitment to low- and moderate-income students and providing counsel and advice to the Department of Education and Congress on matters of importance, such as the one that we are discussing here at today's hearing.

For my part in this hearing, I will not debate the merits of whether a ratings system is a good idea or a bad one given that the Department of Education is charged with this task. I was there this morning, so I know they are planning to deliver on this assignment, regardless of how difficult or challenging it may be. My goal here really is to give some recommendations that must be given consideration.

Before I address those points, I want just to reiterate some points that Dan Madzellan just made about the difference between rankings and ratings. Right now, there is a flood of information in the higher education space around college rankings. It feels like a new ranking is coming out every single week, if not every other day. Alongside the talk of college rankings is the much-anticipated expectation of the President's college ratings system to be delivered this fall. They have said that fall goes all the way up until the equinox time – so it's quite some time for fall.

But whenever it comes, we have been doing a lot of talking about college rankings and college ratings, and while these words do sound very similar, I am worried that we are using these terms synonymously when they are very different. They are not the same. A ranking system, as we know, rank orders

institutions and creates sortable lists. On the other hand, a ratings system creates broad categories. Already we rely on ratings categories in a variety of ways in our daily lives, at least I certainly do. For example, there are the movie ratings. There are the vehicle safety ratings. And I recently went on vacation, and I looked up hotel ratings. So ratings are common. I should add that there is precedence for using ratings systems by the federal government, as the Department of Health and Human Services uses ratings for nursing homes.⁴¹

Now, even with that, there are things that we have to consider when we are looking at a ratings system, and failure to address these items could emphatically do more harm to students than good, and lead to unproductive conversations about student access and student success. I provided a longer, written testimony, that you all have, and I also plan to submit for the record the report that we did at IHEP called “Mapping the Postsecondary Data Domain,” that addresses some of the data concerns around doing something like this.

So my five recommendations that I wish to offer. The first is that there should be two separate ratings systems – one for consumer information and another for institutional accountability. Defining the purpose of rating systems is essential in both consumer information and accountability – all worthy goals – and as you have heard, they are different goals, and they should not be attempted through one tool. While many of the metrics provided to students – for information purposes – would be similar to those used for accountability purposes, these metrics will need to be applied and presented quite differently. Some in the higher education community have argued that the development of two ratings systems would be confusing. I acknowledge that concern, but given that the audiences for both of these tools would be totally different, I think it alleviates some of that concern.

Recommendation two: we should strive to collect better data, but we have to begin with the data that we have. The availability of quality data and the limitations of IPEDS is a real and ongoing concern. You've heard a lot about that today too. Sound data are obviously important, however, in the absence of perfect data or a student unit record system, we should not use that as an excuse to not provide any information or to do nothing. Currently available data can help us identify some outcomes from the consumer perspective, as well as from the accountability perspective. Now, even though we should and can begin with the data that we have, we have to be mindful that this is a data limitation, and the higher education community has to move the better data argument forward in more productive ways. We can't argue that we don't have the data and also that we don't want to improve the data systems that we have. That's no longer going to be sufficient.

Recommendation three: to truly help low-income, first-generation, nontraditional, and underrepresented students – the information that is presented in a ratings system has to be relevant to their needs and circumstances. Students make college decisions based on a variety of factors that are not well captured in current tools. The representative from NASFAA earlier, in the previous panel, addressed some of those tools and the limitations of them. In our effort to be comprehensive, we have sometimes made these tools overly complicated, and therefore irrelevant to students. Numerous studies have shown that low-income students, for example, make college decisions based on affordability, location, and flexibility. This is the type of information that needs to be incorporated into consumer tools. Now, on the other hand, the evaluation of quality and value and accountability can rely on other measures that could be more complicated measures of student success.

My fourth recommendation is that the information from the college ratings system should be disseminated in a way that catalyzes change and action. In other words, the Obama administration should not simply create another tool that resides on a website. Another static tool will not help students, or at least not enough of them, make better choices about where to attend school. The Administration must be much more proactive in terms of its outreach, utilizing social media and other strategies. For example,

relevant information could be linked to other tools provided by the federal government, such as those tools used for the student aid system, and information could be integrated into existing federal college access efforts, like the TRIO⁴² and GEAR UP⁴³ programs.

Additionally, institutions also need better support to utilize the information provided by the ratings system to improve their outcomes for students. While all of the data of the metrics are actually already provided by these institutions themselves, many of these schools barely have the staff capacity to report the data, let alone analyze and act upon it. So we need to make sure that we are giving them the resources to move this information to real action.

And recommendation five, the ratings system must appropriately recognize the diversity of institutions, missions, and students served, but hold institutions to high standards. Institutional representatives – like Lezli just did – are stressing this point. In response, I encourage the Department of Education to offer multiple options or alternatives for review and consideration. In doing so, it will allow for a more robust assessment of the pros and cons of varying approaches, and the likely impact on different types of institutions and different groups of students. Additionally, the final version of the ratings system should be rolled out over time, thereby allowing institutions to adjust, evaluate their data, and improve before facing the risk of penalties.

In closing, thank you very much for this opportunity. I am encouraged by this hearing and the level of engagement that is happening within the community because today's students – and our nation – need and deserve quality information about higher education in order to reach our very important degree attainment goals, as well as equity goals. Thank you.

Roberta Johnson: Thank you. Next, Dr. Kelly.

Andrew Kelly: Thank you. Thank you to the Committee for the opportunity to testify; thank you to President McGuire for hosting us. I lived in the DC area for a long time, it's my first occasion to visit here. It's a beautiful campus.

First, I'm Andrew Kelly from the American Enterprise Institute, we're a nonpartisan think tank here in DC. The testimony I'm about to read reflects my views, not necessarily those of my employer. I wanted to preface my comments by saying that I believe there is a role for the federal government to play in collecting data, promoting transparency, and ensuring that federal investments are well-spent, and my research and writing reflects that perspective. However, I have serious misgivings about the ratings system as proposed.

At the onset, I think we need to recognize two main ideas. The first is that colleges should not be rewarded for the students that they enroll, but for the education that they provide. In the same way we do not want to reward selective colleges for simply enrolling the country's best students, we should not reward open-access colleges for simply enrolling the poorest. Unfortunately, our ability to measure the “value-added” by a college program is almost nonexistent, and the measures that the Department of Education has proposed are woefully insufficient as an approximation of that quantity.

Second, it is much easier for a college to change the students that it enrolls than it is to change the quality of education that it provides. If the ratings system does not account for this, it will likely set up a scenario in which selective colleges are provided with even more resources, while open-access institutions work to become more selective in an effort to improve their outcomes. As such, it is my position that the federal ratings, as currently proposed, should not be used to hand out federal aid, *and* should only be used for consumer information purposes if the proposed measures are improved upon dramatically.

With the remainder of my time, I want to focus on three areas of concern and hopefully provide some suggestions for improvement. First, the objectives of the ratings system – we've heard a lot about that already today. In theory, the ratings system is designed to both provide consumers with better information about their choices, and to hold institutions accountable for access, affordability, and outcomes. While it is tempting to assume that the same policy design can accomplish both goals, this is more difficult to pull off in practice.

Policy makers looking to hold colleges accountable will need different information than consumers who are looking to find the best option. For instance, tying federal aid to the proposed ratings would likely require a single, summary measure, as the RFI mentions in the Federal Register, with weights defined by the government. But this is likely to be far less useful to consumers, who will attach different weights to different dimensions based on their preferences and values. Some consumers may be willing to invest more in their education if it means they will have a higher probability of graduating on time, while others will make the opposite trade-off.

Similarly, because Title IV eligibility is determined at the institutional level, the ratings system will presumably rate entire institutions. But for consumers, particularly those who are interested in vocational offerings, an institution-wide rating is likely to be less helpful than a program-level one. The value of programs often varies considerably within institutions, and a single institution-level rating would obscure these differences from consumers. For these reasons, leaders should consider separating the two objectives. I do agree with Michelle there.

Onto measurement, some concern about measurement. Plenty of ink's been spilled regarding the shortcomings of federal data, so I won't belabor that point much more. I just wanted to raise a few particular concerns. First, the measurement of access. The Department's RFI suggests that it will use the percentage of students receiving a Pell Grant as a measure of access. This measure is problematic for a number of reasons. First, it would reward institutions for enrolling Pell recipients regardless of how successful they were once they arrived. Yes, the plan to include outcome measures would help perhaps mitigate this problem, but it does not solve it. One potential solution would be to measure "access" as the percentage of Pell Grant recipients who actually graduate each year, or to reward campuses directly by paying a bonus for each Pell Grant student that graduates.

Second, how should we set a standard for the "Percent Pell" measure across institutions that operate in very different markets? It is unrealistic to assume that every campus can ensure that 30 or 40 percent of their students are Pell-eligible. There may simply not be enough Pell students to go around.

Affordability: various commenters discussed the drawbacks to using average net price as an indicator of affordability. The main problem is that average net price often paints a distorted picture of affordability at any particular point along the income distribution. I wanted to quickly offer a related criticism of the measure. By definition, net price data conveys the price paid by students *who chose to enroll* at that campus. But that measure excludes the net prices of those students who chose to go elsewhere. In fact, we have no idea what net price low- and middle-income applicants were *offered*. But this is what we mean by affordability in some sense. Is it not? Ideally, a ratings system would capture the average net price *offered* to prospective students in different income categories, not the net price paid by those who chose to enroll. But this would require data from financial aid offer letters, a closely guarded secret.

Now, onto outcomes. We all know graduation rates and retention rates are horribly flawed, and I'm not even going to discuss that point. But I do want to make two points quickly. Graduation rates are one potential outcome measure, but we do need some validation that the diplomas that colleges award are worth something. A measure of labor market success can provide such validation.

Rather than rate institutions purely on the basis of their graduates' earnings, which may create perverse incentives to focus on lucrative fields, policy makers could opt for a simpler measure like loan repayment rates. This metric gets closer to what policy makers should actually care about with respect to program integrity – can students repay their debts. It also provides consumers with a sense of the risk that they're taking on without promising a particular median wage.

Second, outcome measurements are much less informative if we do not have a reasonable counterfactual to compare them to. As I said in the beginning, the ratings system should work to measure the value-added by institutions, not the rigor of their admissions process. Therefore, the leaders developing the ratings system should make every effort to develop rigorous pre- and post-measures of success, or at least identify relevant “control groups” to compare results. But this takes time and careful attention to detail. Without it, though, PIRS will reward admissions selectivity, plain and simple.

Finally, onto institutional behavior. I wanted to raise some concerns about the likely consequences of the proposed ratings. On the one hand, smaller, more selective institutions that are rated poorly on the access measure could register large increases in the proportion of Pell students relatively easily. Not only do they often have endowments to subsidize more low-income students, they're also smaller in size, meaning small gains in the number of Pell Grant students result in large gains in percentages. Each additional Pell student they enroll also lowers their average net price.

These are by no means bad outcomes for the students involved, but these schools serve only a slice of the undergraduate population. Contrast that with the path to improvement for large, less selective schools with low rates of student success. These institutions will have a choice to make. They can embark on the hard, uncertain work of improving teaching and learning to boost students' success, or they can take the easier route and admit fewer low-income students.

This would not necessarily be a bad thing, provided institutions could sort students according to their potential benefit. The more likely outcome, however, is one in which institutions use proxies like income, zip code, and race to make admissions decisions. All this is to say that if improvement is quicker and easier for low access/high success schools than it is for high access/low success schools, then the rewards will prove the former. That will simply reinforce their place atop the higher education system and, frankly, waste taxpayer dollars on schools that don't need them.

Roberta Johnson: Thank you, Dr. Kelly. We will now conclude with Dr. Goldrick-Rab.

Sara Goldrick-Rab: Thank you very much. I appreciate the opportunity to be here today. It is much warmer here than it is in Madison, Wisconsin, so I was pleased to get on a plane. And I think this is a very important issue.

The reason that I took the time to come today is because of the things that I've learned over the last 15 years while studying students in higher education and particularly those from low-income families. I've given a lot of thought to the issue of accountability because I think that we need to do much more to compel the colleges and universities receiving Title IV funds to do a better job of serving the needs of today's students. I think many of them are operating under assumptions and in ways that do not do well by their students, and I believe that we've covered that extensively in the new book that Andrew and I just put out on *Reinventing Financial Aid*.⁴⁴

To me, the question is not so much *if* we should do something, but rather *how* we should do something. I want to note that whatever's going to happen here, it is going to be but one effort. It cannot do it all. This ratings system is not going to increase quality, increase graduation rates, increase access, and solve all problems in higher education in one fell swoop. It simply cannot. What it can do, however, is create a

series of positive consequences and unintended negative consequences, and I think those are what we want to avoid.

I do have *five* recommendations (that seems to be the magical number here). I would like first and foremost for the Department to narrow its focus, to do one thing, and do it well, and that is to promote public safety. The secondary element here should be taxpayer accountability, but I mean that in a very narrow sense. If we have limited resources, we want to make sure they're spent reasonably well, and we know right now that that is not the case. This is not going to work very well if the primary objective is consumer choice. The chance of designing useful ratings for consumers without creating poor incentives is low. Moreover, it's far from clear that your consumers of interest, the ones whose choices you're most worried about, the ones for whom choice can make the biggest difference, are going to utilize these ratings in ways that enhance their outcomes.

It's worth noting that in many settings, including health care, the effects of consumer information have been found to be null and sometimes negative. This is simply not an area in which we have well-documented pathways through which to influence choice, and we know that the families that are most vulnerable today often react to the information that we provide in ways that we find unanticipated. It would be great to learn more about this, and it's certainly the case that I'd like to see more inquiry supported in that area, but I don't think we're there.

Secondly, I think that the Department of Education should take serious note of other social policies that have used metrics and the mistakes that have been made in implementing them. We should focus on preventing institutions from diminishing access. A lot of us have said that. The schools will go in that direction. There's absolutely no doubt about it, and they have every time that there's been any similar effort.

We should emphasize the rates of growth in access over time, for sure, but we also cannot mistake the “percent Pell” as a great measure of economic diversity. It is one measure, but the needs analysis was not created to identify low-income students well. It was designed to sort among middle-income students. So you can have institutions today, including the one that I work at, that has Pell Grant recipients, but they are from the high end of the distribution. That's not to say they're not low-income, but they're by no means going to face the same challenges as the students who are at Miami Dade College – where you have an overwhelming number of zero expected family contribution (EFC)⁴⁵ students who are going to require substantial support to help them get to graduation. So, at the very least, it should be possible to disaggregate the Pell measure into a zero EFC, a modest EFC, and a large EFC, something like that.

You also want to focus on measuring things that institutions can actually control. Of course, this differs by sector. Admissions, I would argue, is the number one thing they can control, and the justification for selective admissions to institutions with large numbers of resources is extraordinarily weak. Essentially, admissions practices are used today to exclude students with financial need. Institutions that are receiving taxpayer dollars should be capable of educating the students that we need them to educate. If they cannot do so, then that's a problem. But what they do today is pull the admissions lever as a way of saying, “This is who we think we'd like to have.” That is not the same thing as saying who they believe they can educate well.

I would like you to not forget about capacity. Institutions receiving Title IV aid should be expanding their capacity as long as there is growing demand for higher education. It is remarkable that we have institutions that have not grown the number of available seats to their students in 30 years, while college demand has grown and grown and grown. Providing a tiny number of seats to a tiny number of low-income students should not get a school a good rating in your system.

Third, I recommend that you employ minimum standards to simply remove dangerous institutions from those receiving Title IV. The worst possible outcome for students is some college, sizable debt at least relative to their own family income, and no degree. That's what you want to prevent. You want to rate poorly the institutions where students have a high probability of leaving and a high chance that low-income students will end up in significant debt with no degree. Start with those institutions; make your first phase focus on institutions with substantial resources, they have endowments and ought to be doing very well. They also have little need for taxpayer support. Given that, we ought to be able to sort among them and figure this out. Then you can move next to those that are also important, those that are getting a lot of Title IV funding. That's their primary resource, and again, we should be concerned about it.

Fourth, focus your work. Please don't waste time where choice doesn't exist. Students in parts of this country have very few college options. There are what my colleague, Nicholas Hillman, has called "edu deserts," places where if you rate a local community college low, the student has absolutely nowhere else to go except perhaps a for-profit college or university.

I believe that community colleges have no place in this ratings system because the question of choice is entirely irrelevant for most of their students. If you want to improve the performance of community colleges today, this is not the way to do it. There are alternative mechanisms. They have an entirely different mission, and they are unlike any other part of the system of higher education, and you're far more likely to create negative unintended consequences for these schools and for the large numbers of people all over the United States who depend on them.

I'm going to conclude with what I believe is the first rule of all of our work in education and in policymaking, and that is "do no harm." Please take seriously that – yes, the President made a statement about something he wanted, and yes, the Department has to do something. But your first job is to not compromise educational opportunities for millions of low-income students whom right now have very little else to turn to, besides the hope that is presented by our educational system. It's much better to be cautious and move slowly to get this right than to move forward to accomplish something by a specific deadline.

Finally, I do want to thank this Department and this Administration for being concerned about whether students finish college. It's about time. I appreciate their good intentions at wanting to help, particularly the most economically disadvantaged in this country. They need a lot more attention in that regard, and it's clear that improvements to higher education are needed. But we have to do this right, or it isn't worth doing at all. Thank you.

Roberta Johnson: Thank you, and thank you to each of our panelists.

Q&A: Panel IV

Roberta Johnson: At this time, we'd like to open the discussion to questions from the Advisory Committee members. Pat?

Patricia McGuire: Thank you to everybody on the panel. This has just been terrific and a great learning experience for me and, I think, for our colleagues, too. I appreciate what everybody had to say. It's very illuminating.

I keep coming back to the question in my mind. Let's assume this ratings system goes into effect. What do we do after – après le déluge? Once the ratings come out, what is an institution expected to do? Now, we're all teachers, and we're used to assigning grades to students. We have the eternal hope that our C students will at least become B students at some point, and so forth. I think there's a bit of that quixotic academic in all of us in this discussion of the ratings system.

But the fact of the matter is that we have other data available to us. This is not quite like encouraging a student in a writing or a history course to do a little better. I'm thinking of the data that this Committee did produce in the "Measure Twice" document that Lezli cited. That shows us pretty clearly – and we verified in our own data here at Trinity, so I'm really familiar with it – that at some point, the graduation rate, the percentage of Pell recipients, and the institutional capacity really do tap out. You hit the wall at some point. We will not have the same kind of results that a certain institution across town will have. We also have a much higher Pell Grant percentage rate, et cetera. And the Pell Grant percentage rate, absolutely, you put it – it's like a toaster. You put it in, and it comes out. We can play at the margins a little bit on that, but at the end of the day, it's not going to go up by 15 or 20 percentage points. So we keep trying to predict, how much could we improve the rate if we move the ball a little bit? Or what else could we do?

I'm a little puzzled at some point about the long run, what is the net effect of the system anyway? You can say it's hortatory; you want to encourage schools to do better. But most of us are trying to do that already and following all the best practices. Beyond employing the best practices, how does it help anybody to simply be a C student? Are you condemned to be a C student forever, unless you do what has been suggested, which is – you said, it's easier to change the student body than to change your quality outcomes. So what's going to happen with all this data? And will it make any difference in the long run for any institution?

Daniel Madzellan: I think the answer to your question – I think Sara hit on this – is, what are the incentives? We don't know how colleges and universities are going to react because we don't know what this looks like yet. Once we know what it looks like and it is in place, then just like any other system in any other setting, there will be incentives baked in both positive and negative, and then the actors in that system will react in their interests.

Again, I think it is critical on the front end. You can't avoid creating incentives; that's just going to happen. Where you have to spend a fair amount of time, and very thoughtful time, is to build into the system incentives that will absolutely not cause what we don't want to happen, which is to sacrifice access in the name of improved year-to-year retention, persistence, graduation rates.

Patricia McGuire: I think that's good. If I may just jump in here, I think I'm asking a slightly different question though because the question is whether there is a finite limit to what an institution can do to impact the results. At some point, student behavior or student condition is also a ceiling beyond which no amount of positive incentive can change the result. I'm wondering if there's any acknowledgment of that. That's what I'm really looking for.

Roberta Johnson: Lezli.

Lezli Baskerville: I don't know that I clearly understand, but I'd like to take a stab at answering the question. If we put into place what NAFEO is recommending including rewards or incentives for containing costs – institutions that have contained costs would get a plus. We would expect that HBCUs would be perceived much differently, as they are expanding access for low-income, first-generation students and graduating disproportionate percentages of low-income, first-generation, racial and ethnic minority students in the high-needs areas.

That would help us to make the case for greater investment in HBCUs and PBIs. HBCUs are 3 percent of America's college and universities and are graduating 30 percent of African Americans across the board: 50 percent of African-American teachers, 60 percent of African-American health professionals, and 42 percent of African Americans receiving PhDs in STEM. That would give us ammunition to go to Congress and argue for a greater proportion of the higher education dollars in HBCUs. As we know, nothing the Department does with regard to a ratings system will, without Congressional action, result in pulling funds. What the Department does and the results will, however, provide ammunition for greater support for HBCUs/PBIs or less. The system could encourage, prod, nudge, perhaps shame some institutions that are very wealthy and not doing a good job of enrolling and graduating low-income, first-generation, racial, and ethnic minority students, to do better.

In phase one or two of the roll out of the ratings system, perhaps there should be a pilot program during which the data would be gathered but not publicized. To be sure, HBCUs do not want another assessment, rating, ranking, or anything that captures data that casts HBCUs in a false light. We do not have a measure presently that accounts for what HBCUs are doing abundantly well, namely educating disproportionately low-income students and students of color – growing populations of this nation. This country cannot realize its economic goals or the 2020 education goals without the colleges and universities that are graduating the growing population of black, brown, and low-income students. The NAFEO proposal will move the nation toward rewarding the institutions that are educating the growing populations, closing the achievement and attainment goals.

Roberta Johnson: Dr. Goldrick-Rab?

Sara Goldrick-Rab: I think these are really important questions, and I really liked your analogy to the students, to the C students. We actually know something about how effective grades are at increasing students' motivation, et cetera. We know, for example, that when some students are given a C, it doesn't serve to create motivation; it serves to discourage them.

Actually, one of the reasons – since we're talking about Pell recipients – is that not only did you tell them that their academics weren't great, but you also put their financial aid in jeopardy at the same time. Which is actually not helpful, this is a pretty good illustration of the problem here. Telling an institution that today is currently under-resourced – and many of them are whether we want to admit it or not, I mean, frankly, if these were K-12 schools, we'd be looking at this issue, I think, a lot harder. There are many institutions that are enrolling large numbers of low-income students and students of color that are simply not getting what they would need in order to even provide a reasonable education to these students. Giving them, sort of “hitting” them with this – giving them a C – isn't going to do much of anything.

Now, again, I said there are other social policies we can look towards. So, the Workforce Investment Act,⁴⁶ when that was created, and a shift from the Job Training Partnership Act, they worked very hard to create these accountability metrics, and they built into them efforts to try to prevent “creaming.” This is not the kind of thing you can use in consumer choice or a consumer ratings system because it's not going

to be clear or easily understood. These were accountability metrics that had things adjusted with weights and all sorts of stuff.

What ended up happening was whenever a local workforce office or job trainer creamed, and their instinct definitely was to do that (one of them walked me through it – “See? This guy comes into my office. You can tell he’s not going to complete his program. Let’s just get him on out of here. He doesn’t show up on the list.”), whenever they did that, and they did that at the beginning of the Workforce Investment Act implementation, they failed their measures. But when they failed their measures, you didn’t want to simply have these offices go under or not get any funding, because there wouldn’t be anything for their local areas.

So the Department of Labor had to make a major investment in sending technical assistance teams to teach these places alternative ways of meeting their measures without “creaming.” That was important. The point is there’s an educational function that has to happen here if you want this to actually generate improvement. I think we’d be naive to simply assign grades to these schools and then act like change is going to come. We have to think about this, again, as sort of a professional development opportunity, and I think that’s very different than how it’s being discussed.

Roberta Johnson: Thank you. Andrew?

Andrew Gillen: It’s a question for Mr. Madzellan. You indicated that there was a great deal of care needed to be taken in creating the comparison groups, and that’s something that hasn’t gotten a lot of attention in the debate so far. Can you outline for us some of the main dangers and ways to avoid them when creating these comparison groups?

Daniel Madzellan: Well, I thought a little bit about this before coming over here, and I was thinking about our host here, Trinity Washington University. And Andrew, I’m a lifelong – so far at any rate – Washington DC native, and I do remember Trinity when I was a young college student as well.

But when you think about Trinity (women’s) College – enrollment of 2,500, location in a large population area – you start to think about some other schools like that. A couple come immediately off of College Navigator, Wesleyan and Barnard can be very similar in those regards. So, let’s make up that peer group. Then you start looking into some of the metrics that we’ve been talking about. Trinity’s year-to-year retention rate is a little better than half that of the others. Their graduation rate is a little better than half that – again, the IPED rates – but their rate of Pell recipients is some four or five times that of the others.

Again, you start to shred the data and try and figure out where reasonable comparisons are; and it doesn’t take you very long to realize that you’re going to have a whole lot of peer groups just on the metrics that the Department has been talking about. You wonder about the total number of Title IV institutions and how you’re going to divide those up. I know we generally say there’s like 6,000 Title IV institutions. I thought that number was low, so I went to the Digest of Education Statistics.⁴⁷ The Digest says there’s 7,236. Then I went to the Department’s Clery website⁴⁸ because that’s a good place, because all the Title IV schools have to report their Clery statistics, and I found 7,223, so let’s say 7,200 schools.

How many comparison groups can you reasonably configure? It’s going to be a large number. If you can get back to the consumer information, if I’m looking at a handful of colleges and universities and now I have several handfuls of additional universities, colleges that are similar to the ones that I’m looking at. Again, I think the information overload that we talked about a little bit earlier today and has been talked about a lot is a real concern. I don’t know what that necessarily will look like. But as I mentioned, I think if the ratings and the peer groupings are to, in some sense, drive the institutional improvement – and I

think I've heard Departmental officials say that – you're going to have to be pretty consistent over time in your groupings. You're going to have to get that pretty close to right the first time.

Roberta Johnson: Thank you. Michael.

Michael Poliakoff: I want to follow up on something that Dr. Goldrick-Rab said. Let me make sure that I'm capturing this correctly – the worst outcome is some college, no degree, and high debt. There are actually sort of danger zones – dangerous to the students. Then we've also got a competing issue, which is the “education deserts,” that potentially the only school that might be serving that area is in fact one of those high danger schools. I wanted to elicit from the panel some thoughts on how one approaches a conundrum like that.

Sara Goldrick-Rab: Well, I think I'll just confirm those two things. The biggest change in my view for the last, say, 15 years is that the ability to go to college as an experiment (to try it out for yourself when you're not sure) has become extraordinarily dangerous. We have no “no-risk” option because so many students, including those at community colleges and including those at the least expensive four-years, have to take loans now; or they're going to have to find a job that is going to mix with their schedule and pay well, and that's really not out there, to be quite honest with you.

Again, the number of students who are leaving with some college, no degree has been documented. What we also know from the studies of those who hold debt, is that the people who are likely to default don't have the degree. You put those two things together, and there is this group that I'm very concerned may be worse off, frankly, than if they hadn't gone to college at all.

I think as a country, we have to be more worried about that. Not so much because they might not buy things; I'm less concerned that they're not going to buy a home or that they're not going to buy a car. I'm actually concerned that when it comes time to decide if their children are going to go to college, they're going to say, “No way.” Because when you faced a system and lived in a country that told you that college was a good option for you, yet left you no choice but to take on debt that you then had a very hard time paying off – *and you didn't even get a credential* – it's pretty unlikely that you're going to put your own kid through that.

The “education deserts” issue is not new. I'm thrilled that Nick took it up. Frankly, it was my first dissertation topic that I never finished. The reason is because I have traveled in multiple parts of the country, including the South, but also in some far-flung areas where there's really no college near them, or maybe just a single option. This hasn't changed much, because we're not exactly building new campuses. I mean, California's got one new school. New York has one. It's very uncommon.

We're not going to be doing this [building new colleges] because we tell ourselves the students are going to go online. The evidence that online education is going to be a good option, particularly for those who are furthest from the urban areas, who have all kinds of other issues – including labor market issues – that's not there either. We have to worry about that. What to do about that? I would first and foremost proceed towards those institutions where the evidence is that these students are not graduating and that they are incurring pretty darn substantial debt, and that something like 90 percent of all students there borrow. That's a pretty good sign that there's a problem – high percentages of students that borrow.

I would also, like I said, be very careful about including community colleges, just because I don't know what a student is supposed to do with a grade that tells them their local community college is not a great one. So what? We've had that. Kevin Carey ranked them all. There's not a market for this. What is someone supposed to do? Say, “Oh, I won't go”? No, they're just going to go, or they're not going to go [to that community college], or they're going to be pushed to the local for-profit.

Michelle Cooper: The point that you make is a very important one. That's why I feel that if we're going to do this system, we have to make sure that the information is tailored to what actually matters for students, because we don't want them to be worse off. And we see that that's happening, especially for larger numbers of low-income students. That's why I really believe that this can't be just another static tool. It has to be coupled with interpersonal ways of communicating to students; person-to-person communication still can be effective in the 21st century. Everything doesn't have to be a website or a checkbox.

Also, I think in terms of the piece around institutions, it's true that some students are very much place-bound. That's why when it comes to this conversation around college ratings, I'm very concerned that most of the conversations focus on ways to analyze institutions and not ways to improve institutions. Because these students who are choosing to go to these schools are making rational choices that are based on the realities of their lives. If they have to go to a school that we know needs some better resources, needs some extra assistance, needs some capacity-building to serve them better, I think that we could be better served as a country, investing more into those institutions and into those students, than instead just pulling their financial aid and penalizing them.

Maria Harper-Marinick: Thank you. I want to take the privilege as the Chair to begin to close this session, since we're running a little late, by saying thank you to all of you for being here. Some of you were here since this morning, and we appreciate your presence. It's been very informational and enlightening. I assure you that what you've shared with us will be of value to the Committee. I just wish that we had another couple of hours, or even maybe another half day, because we have learned so much.

I would like to say thank you to Deputy Under Secretary Jamiene Studley for being here this morning and providing opening comments. Thank you to all of you who served on a panel for sharing your time, your expertise, your passion, and your commitment to this work. We may seek your advice in the future as a Committee, as we move forward with this very, very important agenda.

I would like to acknowledge the Committee members, my colleagues, for their support and their continued commitment on this work of the Committee; to Trinity President, Pat McGuire, all your staff, for hosting us in this absolutely beautiful facility. We appreciate that. And to the staff of the Committee, Bill Goggin is in the back, he's our Executive Director. We have Janet Chen, Sharon Johnson, Tracy Jones, and Rachel Kane; without their work all year long, we couldn't do what we do as a Committee, so our appreciation to you for helping us get to this day that we believe was important.

Thank you again to all of you for being here. Thank you to the Committee for the questions. Our hearing is adjourned. Please be safe going back home, wherever home is. Thank you.

ENDNOTES

¹ For more information on President Obama’s plan to make college more affordable, see: <http://www.whitehouse.gov/the-press-office/2013/08/22/fact-sheet-president-s-plan-make-college-more-affordable-better-bargain->.

² For the full Request for Information to Gather Technical Expertise Pertaining to Data Elements, Metrics, Data Collection, Weighting, Scoring, and Presentation of a Postsecondary Institution Ratings System, see: <https://www.federalregister.gov/articles/2013/12/17/2013-30011/request-for-information-to-gather-technical-expertise-pertaining-to-data-elements-metrics-data>.

³ For more information on the Department of Education’s Open Forum on College Value and Affordability and College Ratings System, see: <https://www.federalregister.gov/articles/2013/10/30/2013-25739/open-forum-on-college-value-and-affordability-and-college-ratings-system>.

⁴ For more information on the Department of Education’s symposium on the Postsecondary Institution Ratings System, see: <http://www.edcentral.org/postsecondary-institution-ratings-system-symposium/>.

⁵ To view video from the forum on ratings held by the Association of Public and Land-grant Universities, see: <http://www.aplu.org/page.aspx?pid=2926>.

⁶ To view written submissions to the Advisory Committee on Student Financial Assistance regarding the Postsecondary Institution Ratings System, see: <http://www2.ed.gov/about/bdscomm/list/acsfa/pirssubmissions.pdf>.

⁷ The Institute for Higher Education Policy released a chart to members of the higher education community detailing the metrics used in five college rankings publications: *Forbes*, *Money Magazine*, *The New York Times*, *U.S. News & World Report*, and *Washington Monthly*.

⁸ AmeriCorps is a community service program that places thousands of young adults in intensive service positions at nonprofits, schools, public agencies, and community and faith-based groups across the country. For more information on AmeriCorp’s 20th anniversary, see: <http://www.nationalservice.gov/programs/americorps/americorps20>.

⁹ The Student Achievement Measure (SAM) tracks student movement across postsecondary institutions to provide comprehensive undergraduate student progress and completion data. Unlike federal data systems, SAM is not limited to collecting data solely from first-time, full-time students.

¹⁰ The University and College Accountability Network (U-CAN), operated by the National Association of Independent Colleges and Universities, provides information about private, nonprofit colleges and universities. Institutional profiles include information on admissions, enrollment, academics, student demographics, graduation rates, transfer of credit policy, and student life, as well as harder to find information on net tuition, average loan debt at graduation, and undergraduate class-size.

¹¹ The Education Trust’s College Results Online tool provides information about college graduation rates for nearly any four-year institution in the country. The tool allows parents, students, and policymakers to track an institution’s graduation rate over time and compare graduation rates across institutions.

¹² *Consumer Reports* provides consumers with ratings, reviews, and comparisons of products ranging from cars and appliances to insurance and medications.

ENDNOTES

¹³ The Integrated Postsecondary Education Data System (IPEDS) is the primary source for federally driven data on colleges, universities, and technical and vocational postsecondary institutions in the country.

¹⁴ The National Student Loan Data System (NSLDS) is the U.S. Department of Education's central database for student aid.

¹⁵ *Washington Monthly* publishes an annual ranking of the country's colleges. The rankings are based on institutional contributions to the public good, measured through social mobility, research, and service. To view *Washington Monthly's* 2014 college rankings, see: http://www.washingtonmonthly.com/college_guide/2014.php.

¹⁶ The full set of poverty guidelines is available at <http://aspe.hhs.gov/poverty/13poverty.cfm#guidelines>.

¹⁷ There is currently a law prohibiting the establishment of a federal student unit record data system. With the ban in place, there is no national database of individual student information for all students enrolled in institutions of higher education.

¹⁸ The Free Application for Federal Student Aid (FAFSA) is the application prospective students use to apply for the federal student aid programs offered by the U.S. Department of Education.

¹⁹ The cohort default rate is the percentage of an institution's borrowers who enter repayment on federal loans during a federal fiscal year and default prior to the end of the next one to two fiscal years. Institutions are required to submit a default prevention plan if they have had at least one year of a 3-year cohort default rate equal to or greater than 30 percent.

²⁰ The 90/10 rule requires for-profit colleges to get no more than 90% of their revenue from Title IV federal student aid.

²¹ The *U.S. News & World Report* publishes an annual ranking of the nation's best colleges and universities. The rankings are based on undergraduate academic reputation, retention, faculty resources, student selectivity, financial resources, graduation rate performance, and alumni giving rate. To view the *U.S. News & World Report's* 2015 college rankings, see: <http://colleges.usnews.rankingsandreviews.com/best-colleges>.

²² For more information on the September 2014 Education Writers Association conference, see: <http://www.ewa.org/event/good-bad-and-ugly-covering-college-student-experience>.

²³ The National Student Clearinghouse provides support to participating institutions through data exchange, financial aid, research, and verification services. The Clearinghouse conducts significant research on student outcomes.

²⁴ The Collegiate Learning Assessment (CLA) evaluates the critical-thinking and written-communication skills of college students.

²⁵ The Educational Testing Service (ETS) Proficiency Profile assesses critical thinking, reading, writing, and mathematics in a single test to gauge general education outcomes of college students.

ENDNOTES

²⁶ The ACT Collegiate Assessment of Academic Proficiency (CAAP) is a standardized, nationally normed assessment program that enables postsecondary institutions to assess, evaluate, and enhance student learning outcomes and general education program outcomes.

²⁷ The Aspen Prize for Community College Excellence recognizes high achievement and performance among community colleges. The Aspen Prize recognizes student outcomes in the areas of student learning, certificate and degree completion, employment and earnings, and high levels of access and success for minority and low-income students.

²⁸ For more information about the September 2014 Civil Rights Project conference, see: <http://civilrightsproject.ucla.edu/events/2014/higher-ed-accountability-briefing/will-higher-ed-accountability-proposals-narrow-opportunity-for-minority-students-minority-serving-institutions>.

²⁹ The Financial Aid Shopping Sheet, maintained by the U.S. Department of Education, primarily allows participating institutions to notify students about their financial aid package, as well as general cost and financial aid information.

³⁰ The Voluntary System of Accountability (VSA), developed by the Association of Public and Land-grant Universities and the American Association of State Colleges and Universities, is an accountability and consumer information tool for public 4-year universities. The VSA collects and provides prospective students with information on student and campus characteristics, cost of attendance, success and progress rates, campus safety, class size, and student learning outcomes for participating institutions.

³¹ For more information on the American Indian Higher Education Consortium's data collection initiative, American Indian Measures of Success (AIMS), see: <http://www.aihec.org/resources/AIMS.cfm>.

³² The College Navigator, operated by the U.S. Department of Education, allows prospective students to search for and compare different institutions based on factors such as location, institution type, tuition & fees, student enrollment, admissions, financial aid, retention & graduation rates, and cohort default rates.

³³ For more information on Northern Virginia Community College's College Pathway Initiatives, see: <http://www.nvcc.edu/academics/pathway/>.

³⁴ The College Scorecard, operated by the U.S. Department of Education, allows prospective students to determine a college's value and affordability. The College Scorecard provides information on institutions' cost, graduation rate, loan default rate, median borrowing, and employment.

³⁵ The Voluntary Framework of Accountability (VFA), operated by the American Association of Community Colleges, is the principle accountability system for community colleges. The VFA tracks student progress and outcomes, including pre-collegiate preparation, academic progress and momentum points, completion and transfer measures, and workforce outcomes for career and technical education.

³⁶ The College Cost Comparison Worksheet, operated by the Consumer Financial Protection Bureau, allows prospective students to compare the cost of attendance at different institutions. The Worksheet includes institutional information on cost of attendance, financial aid, debt at graduation, graduation rate, loan default rate, and median borrowing.

³⁷ Title IV of the Higher Education Act authorized the major sources of federal student aid. These include loans, grants, and federal work-study.

ENDNOTES

³⁸ The Know Before You Owe project allows colleges and universities to better inform students about the type and amount of aid they qualify for. It provides students with their total estimated student loan debt and monthly loan payments after graduation. The project makes the costs and risks of higher education clear before enrollment.

³⁹ The Student Right-to-Know and Campus Security Act, passed in 1990, requires institutions eligible for Title IV funding to calculate completion or graduation rates of certificate-or degree-seeking, full-time students entering the institution, and to disclose these rates to all students and prospective students.

⁴⁰ The Beginning Postsecondary Students Longitudinal Study (BPS), operated by the National Center for Education Statistics, surveys first-time, beginning students at the end of their first year, and then three and six years after first starting in postsecondary education. It collects data on multiple topics, including demographic characteristics, school and work experiences, persistence, transfer, and degree attainment.

⁴¹ The Centers for Medicare & Medicaid Services operates a Five-Star Nursing Home Ratings System. The system rates nursing homes on individual metrics, such as quality of care, performance on a health survey, and hours of care provided per resident by all staff. The Five-Star system also provides a composite measure to give an overall rating of quality performance for each nursing home.

⁴² The Federal TRIO Programs are outreach and student services programs that provide services to individuals from disadvantaged backgrounds. TRIO programs target low-income, first-generation, and disabled individuals to assist their progression from middle school to postsecondary programs.

⁴³ Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is a federal grant program aimed at better preparing low-income students to enter and succeed in postsecondary education. GEAR UP provides funds for states and partnerships to provide services in high-poverty middle and high schools, as well as providing college scholarships to low-income students.

⁴⁴ For more information on *Reinventing Financial Aid: Charting a New Course to College Affordability*, by Dr. Sara Goldrick-Rab and Dr. Andrew Kelly, see: <http://hepg.org/hep-home/books/reinventing-financial-aid>.

⁴⁵ The Expected Family Contribution (EFC) measures a family's financial strength to pay for college and includes taxed and untaxed income, assets, and benefits. The EFC is calculated through the FAFSA and used to determine a student's financial aid eligibility.

⁴⁶ The Workforce Investment Act (WIA) of 1998 consolidated and reformed federal job training programs and created a new workforce investment system. The WIA established a performance management system for job training programs. The system held managers accountable for results, while also assuring transparency in how the results were reached.

⁴⁷ The Digest of Education Statistics compiles governmental and private statistics covering the field of education from prekindergarten through graduate school. Statistics include enrollments, graduation rates, faculty salary, revenues, federal funding, and labor market outcomes for broad groupings of institutions.

⁴⁸ The *Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act and the Higher Education Opportunity Act* requires all postsecondary institutions that receive Title IV funding to report crime and fire statistics annually to the U.S. Department of Education.

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**APPENDIX A: ACSFA SUMMER 2014 HEARING
MORNING SESSION PARTICIPANTS**

OPENING REMARKS

Ms. Jamiene S. Studley
Deputy Under Secretary of Education
U.S. Department of Education

Jamiene S. Studley has been Deputy Under Secretary of Education at the U.S. Department of Education since September 26, 2013. Her focus is on higher education issues including quality, access, accountability, completion, and student information.

Ms. Studley served as deputy and acting general counsel of the Department in the Clinton Administration from 1993-99. In March 2010, Secretary Duncan appointed her to the National Advisory Committee on Institutional Quality and Integrity (NACIQI), which she chaired in 2012-13. Her federal service also includes membership on the Jacob Javits Fellowship Commission and as special assistant to HEW Secretary Patricia Roberts Harris in the Carter Administration.

Ms. Studley was President and CEO of Public Advocates Inc., a San Francisco based civil rights advocacy group, from 2004-2013. Earlier she was President of Skidmore College; Associate Dean and Lecturer in Law at Yale Law School, and Executive Director of the National Association for Law Placement and the California Abortion Rights Action League-North.

Ms. Studley earned her bachelor's degree magna cum laude and Phi Beta Kappa from Barnard College and her Juris Doctor from Harvard Law School. She has been recognized with the Distinguished Alumna Award from Barnard College and as a Champion for College Opportunity from the Campaign for College Opportunity (California).

PANEL I

Ms. Carrie Warick
Director of Partnerships and Policy
National College Access Network

Ms. Carrie Warick is the Director of Partnerships and Policy for the National College Access Network (NCAN). She coordinates NCAN's policy and advocacy work to promote policies that support low-income, first-generation, and minority students access to and success in higher education. Ms. Warick also collaborates NCAN's relationships with statewide and regional college access networks and other NCAN partners.

Joining NCAN in May 2008, Ms. Warick began as a Program Associate and then became the Director of Member Services beginning in September 2008. In this position, she developed and disseminated resources and training to NCAN members as well as managing membership events, communications, recruitment, and renewal.

Ms. Warick holds a master of public policy, with a concentration in education policy, and a bachelor's degree in international affairs and history, both from The George Washington University. While pursuing her master's, Ms. Warick was a Presidential Administrative Fellow and worked in various areas of communication within GW. She is a resident of Washington DC and a member of Women in Government Relations.

Dr. Robert Kelchen
Assistant Professor of Higher Education
Seton Hall University

Robert Kelchen is an Assistant Professor of Higher Education in the Department of Education Leadership, Management and Policy at Seton Hall University. His research interests include student financial aid, higher education finance, and accountability policy, including college rankings and ratings.

He has articles forthcoming in *The Journal of Higher Education* and *The Journal of College Admission*. His work as a methodologist for *Washington Monthly* magazine's annual college rankings won an award for best data journalism from the Education Writers Association. His teaching interests include higher education finance, research methods, and governance and accountability policies and practices. He is frequently quoted in the media, including *The Washington Post*, *The Chronicle of Higher Education*, and *Politico*. He has also appeared on the *Marketplace* radio program, KABC radio, and MSNBC.

He holds a bachelor's degree in economics and finance from Truman State University, a master's degree in economics from the University of Wisconsin-Madison, and a PhD in educational policy studies from the University of Wisconsin-Madison.

Mr. Ben Miller
Senior Policy Analyst in the Education Policy Program
New America Foundation

Ben Miller is a Senior Policy Analyst in the Education Policy Program at the New America Foundation where he provides research and analysis on policies related to postsecondary education. Previously, Mr. Miller was a Senior Policy Advisor in the Office of Planning, Evaluation, and Policy Development in the U.S. Department of Education. While there, he helped develop policy proposals for the president's annual budget request to Congress related to higher education completion, cost, innovation, quality, and student financial aid. He also worked on regulatory issues related to gainful employment, as well as managing a portfolio of programs that included GEAR UP, TRIO, the Title III and V institutional programs, and the Investing in Innovation Program.

Prior to the Department of Education, Mr. Miller served as a Policy Analyst at Education Sector, a nonpartisan think tank, where he wrote on issues such as gainful employment, the use of technology to improve student learning and reduce costs, and graduation rates. He also previously worked at the New America Foundation as a Program Associate. Mr. Miller's work has appeared in or been cited by the *Washington Monthly*, *The Chronicle of Higher Education*, *Inside Higher Ed*, *Washington Post*, *Congressional Quarterly*, and *Houston Chronicle*, among other outlets.

He holds a bachelor's degree in history and economics from Brown University.

Mr. David Baime
Senior Vice President for Government Relations and Research
American Association of Community Colleges

David Baime serves as Senior Vice President for Government Relations and Research for the American Association of Community Colleges (AACC). In this role, he directs the national advocacy efforts for the nation's close to 1,200 community colleges and their students.

Prior to joining AACC, he served as Director of Education Funding for the National Association of Independent Colleges and Universities. He has also worked as Assistant Director of Government Relations for the Association of American Medical Colleges. Mr. Baime has made a number of radio, television, and Web appearances, including on CNN, MSNBC, C-SPAN, and National Public Radio, and is frequently quoted in *The Chronicle of Higher Education*, *Inside Higher Ed*, and other education publications.

Mr. Baime holds a bachelor's degree from Haverford College and a master's degree in economics from the London School of Economics.

PANEL II

Ms. Jessica Thompson
Senior Policy Analyst
The Institute for College Access and Success

Jessica Thompson is a Senior Policy Analyst at The Institute for College Access and Success (TICAS). She covers a range of issues from TICAS' DC office, including Pell Grants and other grant aid, education tax benefits, higher education data issues, simplifying the federal financial aid application process, and improving tools to help students make wise choices about costs and debt.

Before joining TICAS, Ms. Thompson spent five years as a Higher Education Policy Analyst for the University of Washington, focused on national, state and institutional funding and policy issues. Additionally, she has worked on policy and administrative problems related to energy assistance, homelessness, and mental health.

She received her MPA with a focus in public policy from the Robert F. Wagner Graduate School of Public Service at New York University and her BA in psychology from the University of Southern California.

Ms. Joan Zanders
Director of Financial Aid
Northern Virginia Community College

Joan Zanders has a combined total of 27.5 years as a Director of Financial Aid. For the past 6.5 years, she has been at Northern Virginia Community College (NOVA), a school of over 78,000 students, with six full campuses. Prior to NOVA, she served as Director of Financial Aid at a 4-year private, a 4-year public and a community college in Nebraska. She has served as President of the Nebraska Association of Student Financial Aid Administrators (NeASFAA), President of the Rocky Mountain Association of Student Financial Aid Administrators (RMASFAA), co-chaired the regional conference and served on most committees within those organizations. At the national level, Ms. Zanders served on the National Association of Student Financial Aid Administrators (NASFAA) Board of Directors and on seven different committees, some multiple times, including as chair of the NASFAA Leadership Development and Professional Advancement Committee and Conference.

Ms. Zanders served on the Program Integrity Negotiated Rulemaking Committee in 2009-2010. She has presented at numerous conferences throughout the country for state, regional and national associations, within and outside the financial aid profession.

Ms. Zanders received her BS in education from Midland Lutheran College and her master's in higher education counseling from Wayne State College.

Mr. David Hawkins
Director of Public Policy and Research
National Association for College Admission Counseling

David Hawkins has served as the Director of Public Policy and Research for the National Association for College Admission Counseling (NACAC), based in Arlington, VA, since 2000. Mr. Hawkins is the creator and editor of NACAC's *State of College Admission* report, conducts government relations advocacy, and serves as a media liaison for NACAC. His prior work experience includes service as Research Director for the Democratic Congressional Campaign Committee and as a Congressional Affairs specialist for the Department of Housing and Urban Development in the Clinton Administration.

Mr. Hawkins received a BA and MA in government from the College of William and Mary in Williamsburg VA.

Ms. Jasmine Hicks
Higher Education Campaign Director
Young Invincibles

Jasmine Hicks is the Higher Education Campaign Director at Young Invincibles (YI). She joined the YI team in 2012 and has worked with students and organizations across the country to make sure young peoples' voices are heard.

Previously, Ms. Hicks worked for three years as the Director of the Young Civic Leaders program at MassVOTE. She organized high school students around civic engagement and issues of election reform. In 2010, Ms. Hicks was selected to be an Emerging Leader with the Congressional Black Caucus where she interned in the White House Office of National Drug Control Policy.

Ms. Hicks is a graduate of Northeastern University with a bachelor of arts degree in political science and a concentration in policy administration.

Ms. Anna Cielinski
Senior Policy Analyst
Center for Law and Social Policy

Anna Cielinski is a Senior Policy Analyst at the Center for Law and Social Policy (CLASP). Located in CLASP's Center for Postsecondary and Economic Success (C-PES), her work is currently focused on analyzing and advocating for performance measurement and data systems that provide incentives to enroll or serve low-income or low-skilled people. This work spans postsecondary education, adult education, and workforce development policies.

Prior to joining CLASP, Ms. Cielinski worked as a Policy Analyst at ACT (American College Testing), where she covered postsecondary education and workforce development policy at the state and federal levels. Previously, she was a congressional staffer for seven years, with experience in both the U.S. House and the U.S. Senate.

Ms. Cielinski graduated from Vanderbilt University with a bachelor of arts in economics and holds a master of public policy from the McCourt School of Public Policy at Georgetown University.

Ms. Carrie Billy
President & CEO
American Indian Higher Education Consortium

Carrie Billy, an enrolled member of the Navajo Nation and attorney from Arizona, is the President & CEO of the American Indian Higher Education Consortium (AIHEC), which is the nation's 37 tribally and federally chartered colleges and universities. Her career reflects a commitment to public service and to protecting and promoting the cultures, rights, and well-being of American Indians and improving the quality of life and educational status of all Americans.

Ms. Billy has undergraduate degrees from the University of Arizona and Salish Kootenai College and earned a JD from the Georgetown University Law Center.

**APPENDIX B: ACSFA SUMMER 2014 HEARING
AFTERNOON SESSION PARTICIPANTS**

PANEL III

Mr. David A. Bergeron
Vice President for Postsecondary Education Policy
Center for American Progress

David A. Bergeron is the Vice President for Postsecondary Education Policy at the Center for American Progress. Mr. Bergeron previously served as the Acting Assistant Secretary for Postsecondary Education at the U.S. Department of Education. In this position, he acted as the education secretary's chief advisor on higher education issues and administered more than 60 grant and loan programs that provide nearly \$3 billion annually to institutions of higher education and community-based organizations.

Mr. Bergeron also served as the Deputy Assistant Secretary for Policy, Planning, and Innovation for the Office of Postsecondary Education. In this capacity, he was responsible for the program budget for the federal postsecondary education programs administered by the Office of Postsecondary Education and Federal Student Aid, which generate more than \$160 billion in financial aid to more than 25 million students enrolled at public and private postsecondary institutions. Mr. Bergeron was also responsible for legislative, regulatory, and other policies affecting the Department's postsecondary education programs including Federal Student Aid. In this capacity, he became Acting Deputy Assistant Secretary in 2009 and was named permanently in that position in 2011. Prior to becoming Deputy Assistant Secretary, Mr. Bergeron served in a variety of other roles in the Department of Education.

Prior to joining the Department, Mr. Bergeron received his bachelor of arts in political science and sociology from the University of Rhode Island and worked for a bank in consumer loans.

Ms. Sarah Flanagan
Vice President for Government Relations and Policy
National Association of Independent Colleges and Universities

Sarah Flanagan has headed the government relations staff of the National Association of Independent Colleges and Universities (NAICU) since 1994. As Vice President for Government Relations, Ms. Flanagan directs a comprehensive government relations effort, in coordination with related state associations, that focuses on issues of government regulation, student financial assistance, and tax policy.

During her tenure at NAICU, Ms. Flanagan has been instrumental in a number of successful policy efforts, including securing sustained bipartisan political and funding support for the core federal student aid programs; creating new tax incentives for families to save and pay for college; and helping to ensure an appropriate balance between federal support for students and oversight of colleges and universities. She has an extensive background in higher education policy, education, and the federal government.

Before joining NAICU, she was the professional staff member for higher education on the Senate Subcommittee on Education, Arts and Humanities under Senator Claiborne Pell of Rhode Island, and the Staff Director for the Senate Subcommittee on Children, Families, Drugs and Alcoholism under Senator Christopher Dodd of Connecticut.

Ms. Flanagan received her BA degree from Providence College and her MAT degree from Rhode Island College.

Mr. Jee Hang Lee
Vice President for Public Policy and External Relations
Association of Community College Trustees

Jee Hang Lee is the Vice President for Public Policy and External Relations for the Association of Community College Trustees (ACCT). Mr. Lee heads ACCT's government affairs office. Working with other higher education organizations and state associations, Mr. Lee advocates on behalf of community college boards and colleges on legislative and regulatory issues such as appropriations, student financial aid, tax policy, and higher education policy. Mr. Lee has served on the board of the National Asian/Pacific Islander Council and served on the board of trustees of the American Student Association of Community Colleges and the executive committee of the Committee for Education Funding.

Mr. Lee holds a bachelor's degree from Boston University and a master's degree in political management from the George Washington University.

Mr. Jesse O'Connell
Assistant Director for Federal Relations
National Association of Student Financial Aid Administrators

Jesse O'Connell is the Assistant Director for Federal Relations at the National Association of Student Financial Aid Administrators (NASFAA) where he works as part of the team that manages the Association's policy and advocacy efforts. Prior to joining NASFAA in early 2013, he served as an Associate Director in the Office of Student Financial Services at Georgetown University, where he oversaw the compliance and administration of all athletically related aid, in addition to managing a caseload of financial aid applicants.

Mr. O'Connell began his career in higher education as a financial counselor at Georgetown, where he received both a master's and bachelor's degree.

Mr. Justin Habler
Legislative Director
United States Student Association

Justin Habler is the Legislative Director of the United States Student Association (USSA). A recent graduate of Rutgers - New Brunswick, he was a double major in Chinese and political science. While attending the university, he engaged in a multitude of organizations ranging from the New Jersey Public Interest Research Group (NJPIRG), the Rutgers Student Union, New Jersey United Students, as well as the Rutgers University Student Assembly (RUSA). During his years as a passionately involved student activist, he worked on a federal voter registration campaign as well as campaigns to legally allow same-sex marriage, to grant in-state tuition rates to undocumented students, and to increase the state minimum wage.

At the very end of his senior year, to top off all of his college achievements, he ran a campaign that passed a budget resolution to increase a state financial aid program by \$1.6 million. Now, he works in Washington DC as the Legislative Director of USSA.

PANEL IV

Mr. Daniel Madzelan
Associate Vice President for Government Relations
American Council on Education

Daniel Madzellan joined the American Council on Education (ACE) in 2014 as Associate Vice President for Government Relations. In his role, Mr. Madzellan helps advance ACE’s advocacy on behalf of the higher education community, particularly the array of federal policies and issues critical to the missions of American colleges and universities and the students they serve.

From 2009–10, Mr. Madzellan served as Acting Assistant Secretary for Postsecondary Education at the U.S. Department of Education, where he was charged with primary responsibility for administering a \$2.6 billion program budget providing financial support to colleges and universities and their students, and had policy and program budget responsibility for the Title IV student financial aid programs that provided nearly \$130 billion in grant, loan and work-study assistance to more than 14 million postsecondary students and their families. Previously, he was a longtime director of the forecasting and policy analysis service in the Department’s Office of Postsecondary Education. He worked in a number of capacities in that office before becoming a director.

Mr. Madzellan is a graduate of the University of Maryland, College Park, with a bachelor of arts in economics with a concentration in mathematics and statistics.

Ms. Lezli Baskerville
President & CEO
National Association for Equal Opportunity in Higher Education

Lezli Baskerville, Esquire, is a 2014 Advanced Leadership Fellow at Harvard University. She is the fifth and first female President & CEO of the National Association for Equal Opportunity in Higher Education (NAFEO), the umbrella membership association for the presidents and chancellors of the nation’s 120 historically and predominantly black colleges and universities. Prior to ascending to the helm of NAFEO, Ms. Baskerville served as Vice President for Government Relations for The College Board. In that capacity, Ms. Baskerville was responsible for shaping and advancing the legislative agenda of The College Board, providing leadership to the Board’s Upward Bound program and Educational Opportunity Center. She shaped and directed the preparation of the Board’s Supreme Court amicus curiae brief in *Gratz v. Bollinger*.

Ms. Baskerville designed and led The College Board’s National Dialogue on Student Financial Aid, which engaged broad and diverse stakeholders in field hearings and other engagements that yielded recommendations for federal, state, institutional and individual actions to invest equitably and efficiently in student financial aid. The National Dialogue was driven by a Blue Ribbon Panel of leading student financial aid researchers, advocates and historians. The work of the Dialogue is published in a policy action agenda, “Challenging Times, Clear Choices, Investing Equitably and Efficiently in Student Financial Aid.”

For ten years prior to joining The College Board, Attorney Baskerville managed a successful private legal and legislative services collective – The Baskerville Group – that provided legal and government relations representation, advocacy and diversity services to higher education institutions and associations, municipalities, elected officials, nonprofit associations, small businesses and corporations.

Attorney Baskerville received a *Bachelor of Arts* degree *with honors* from Douglass College, Rutgers University and in 1998, was inducted into The Douglass Society (the College’s Hall of Fame) in recognition of her unstinting commitment to improving the quality of life of vulnerable populations. She holds a *Juris Doctor* degree *with honors* from Howard University School of Law, an *Honorary Doctorate of Laws* from Benedict College, a *Doctor of Humane Letters* degree from Shaw University and a presidential honors citation from the University of Maryland Eastern Shore. Ms. Baskerville is a graduate

of the Executive Management Program for Minority Directors at Northwestern University's Kellogg School of Business.

She is the recipient of numerous awards and citations. In June 2012, she was pictured on the cover of STEMconnector and included in the cover story on "100 Women Leaders in STEM." In March 2012, *Diverse: Issues in Higher Education* named her in the cover story titled, "Leading the Way," as one of "25 Women Making a Difference." She was named by *AOL Black Voices* as one of the nation's "Top 10 Black Women in Higher Education," and by *Ebony Magazine* for five consecutive years as one of America's Top 100 Most Influential Association Leaders. She is included in *The HistoryMakers*, a national oral history of African American achievement, as a distinguished lawmaker. Baskerville is a member of the Shiloh Baptist Church of Washington DC.

Dr. Michelle Asha Cooper
President
Institute for Higher Education Policy

In September 2008, Michelle Asha Cooper, PhD, became the second president of the Institute for Higher Education Policy (IHEP)—one of the nation's most effective voices in championing access and success for all students in postsecondary education.

At IHEP, Dr. Cooper is responsible for leading the organization's rich history of addressing the educational needs of today's students, particularly underserved students of which many are low income, students of color, and adults. She helps to cultivate broader awareness about the organization by way of identifying innovative solutions that create real change for students who encounter obstacles as they attempt to access and matriculate through postsecondary education. Dr. Cooper also oversees the organization's expansive research portfolio and analytic expertise to inform and shape national, state, local, and institutional policy reform.

With a career rooted in the postsecondary community, she has served as the Deputy Director for the Advisory Committee on Student Financial Assistance (Advisory Committee) at the U.S. Department of Education. In this position, she interacted with policymakers, oversaw all policy research activities, and managed day-to-day operations. Before joining the Advisory Committee, Dr. Cooper held various leadership positions at the Association of American Colleges and Universities, Council for Independent Colleges, and King's College.

A native of Charleston SC, Dr. Cooper received her BA from the College of Charleston, an MPS from Cornell University, and a PhD from the University of Maryland, College Park. She is also a member of the Delta Sigma Theta Sorority, Inc.

Dr. Andrew P. Kelly
Director of the Center on Higher Education Reform
Resident Scholar in Education Policy Studies
American Enterprise Institute

Andrew P. Kelly is the Director of the Center on Higher Education Reform and a Resident Scholar in Education Policy Studies at the American Enterprise Institute (AEI). His research focuses on higher education policy, innovation, financial aid reform, and the politics of education policy. Previously, he was a Research Assistant at AEI, where his work focused on the preparation of school leaders, collective bargaining in public schools, and the politics of education.

His research has appeared in the *American Journal of Education*, *Teachers College Record*, *Educational Policy*, *Policy Studies Journal*, and *Education Next*, as well as popular outlets such as *Education Week*, *Inside Higher Education*, *Forbes*, *The Atlantic*, *National Affairs*, *The Weekly Standard*, and *The Huffington Post*. He is co-editor of *Reinventing Financial Aid: Charting a New Course to College Affordability* (Harvard Education Press, 2014), *Stretching the Higher Education Dollar: How Innovation Can Improve Access, Equity, and Affordability* (Harvard Education Press, 2013), *Getting to Graduation: The Completion Agenda in Higher Education* (Johns Hopkins University Press, 2012), *Carrots, Sticks, and the Bully Pulpit: Lessons from A Half-Century of Federal Efforts to Improve America's Schools* (Harvard Education Press, 2011), and *Reinventing Higher Education: The Promise of Innovation* (Harvard Education Press, 2011). In 2011, he was named one of 16 "Next Generation Leaders" in education policy by the "Policy Notebook" blog on Education Week.

Dr. Kelly received an AB in history from Dartmouth College and an MA and PhD in political science from the University of California, Berkeley.

Dr. Sara Goldrick-Rab
Professor of Educational Policy Studies and Sociology
University of Wisconsin-Madison

Sara Goldrick-Rab is Professor of Educational Policy Studies and Sociology at the University of Wisconsin-Madison. She is also Senior Scholar at the Wisconsin Center for the Advancement of Postsecondary Education and an affiliate of the Center for Financial Security, Institute for Research on Poverty, and the Consortium for Chicago School Research.

Dr. Goldrick-Rab's commitment to scholar-activism is evidenced by her broad profile of research and writing dissecting the intended and unintended consequences of the college-for-all movement in the United States. In more than a dozen experimental, longitudinal, and mixed-methods research projects, she has examined the efficacy and distributional implications of financial aid policies, welfare reform, transfer practices, and a range of interventions aimed at increasing college attainment among marginalized populations. Her academic articles have appeared in *Educational Evaluation and Policy Analysis*, *Sociology of Education*, *Review of Educational Research*, and *Teachers College Record* among other peer-reviewed outlets, and she also publishes regularly for broader audiences in *The Chronicle of Higher Education* and *Inside Higher Ed*, as well as on her blog *The Education Optimists*. This year, Harvard Education Press released her latest book, *Reinventing Financial Aid: Charting a New Course to College Affordability*, co-edited with Andrew P. Kelly.

In May of 2014, Dr. Goldrick-Rab became the founding director of the Wisconsin HOPE Lab, the nation's first translational research laboratory aimed at identifying new and effective ways to minimize barriers to college completion so that more students can reach their full potential.

APPENDIX C: ACSFA MEMBERS AND STAFF

MEMBERS

Dr. Maria Harper-Marinick, Chair
Executive Vice Chancellor and Provost
Maricopa Community College District

Ms. Roberta Johnson, Vice Chair
Director of Student Financial Aid
Iowa State University

Dr. Andrew J. Gillen
Senior Researcher
American Institutes for Research

Dr. Frederick M. Hurst
Senior Vice President for Extended Campuses
Northern Arizona University

Ms. Patricia A. McGuire
President
Trinity Washington University

Dr. Michael B. Poliakoff
Vice President of Policy
American Council of Trustees and Alumni

Ms. Deborah Stanley
Director of Financial Aid Services
Howard Community College

Ms. Tiffany Taylor
Student Member
Columbia University

Ms. Sharon Wurm
Director of Financial Aid, Scholarships, Student
Employment and Veterans Services
Truckee Meadows Community College

STAFF

Dr. William J. Goggin
Executive Director

Ms. Janet L. Chen
Director of Programs

Ms. Sharon R. Johnson
Director of Policy Research

Ms. Tracy D. Jones
Executive Officer

Ms. Rachel S. Kane
Assistant Director of Programs

APPENDIX D: ACSFA AUTHORIZING LEGISLATION

The Advisory Committee was established by an act of Congress in 1986. Section 491 of the Higher Education Act as amended contains the Committee's Congressional mandate. A copy of this section as it appears in the law follows:

SEC. 491. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.

(a) ESTABLISHMENT AND PURPOSE.--(1) There is established in the Department an independent Advisory Committee on Student Financial Assistance (hereafter in this section referred to as the "Advisory Committee") which shall provide advice and counsel to the authorizing committees and to the Secretary on student financial aid matters. (2) The purpose of the Advisory Committee is-- (A) to provide extensive knowledge and understanding of the Federal, State, and institutional programs of postsecondary student assistance; (B) to provide technical expertise with regard to systems of needs analysis and application forms; (C) to make recommendations that will result in the maintenance of access to postsecondary education for low- and middle-income students; (D) to provide knowledge and understanding of early intervention programs and to make recommendations that will result in early awareness by low- and moderate-income students and families— (i) of their eligibility for assistance under this title (ii) to the extent practicable, of their eligibility for other forms of State and institutional need-based student assistance; (E) to make recommendations that will expand and improve partnerships among the Federal Government, States, institutions of higher education, and private entities to increase the awareness and the total amount of need-based student assistance available to low- and moderate-income students; and (F) to collect information on Federal regulations, and on the impact of Federal regulations on student financial assistance and on the cost of receiving a postsecondary education, and to make recommendations to help streamline the regulations of higher education from all sectors.

(b) INDEPENDENCE OF ADVISORY COMMITTEE.--In the exercise of its functions, powers, and duties, the Advisory Committee shall be independent of the Secretary and the other offices and officers of the Department. Notwithstanding Department of Education policies and regulations, the Advisory Committee shall exert independent control of its budget allocations, expenditures and staffing levels, personnel decisions and processes, procurements, and other administrative and management functions. The Advisory Committee's administration and management shall be subject to the usual and customary Federal audit procedures. Reports, publications, and other documents of the Advisory Committee, including such reports, publications, and documents in electronic form, shall not be subject to review by the Secretary. Notwithstanding Department of Education policies and regulations, the Advisory Committee shall exert independent control of its budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions. The Advisory Committee's administration and management shall be subject to the usual and customary Federal audit procedures. The recommendations of the Committee shall not be subject to review or approval by any officer in the executive branch, but may be submitted to the Secretary for comment prior to submission to the authorizing committees in accordance with subsection (f). The Secretary's authority to terminate advisory committees of the Department pursuant to section 448(b) of the General Education Provisions Act ceased to be effective on June 23, 1983.

(c) MEMBERSHIP.--(1) The Advisory Committee shall consist of 11 members appointed as follows: (A) Four members shall be appointed by the President pro tempore of the Senate, of whom two members shall be appointed from recommendations by the Majority Leader of the Senate, and two members shall be appointed from recommendations by the Minority Leader of the Senate. (B) Four members shall be appointed by the Speaker of the House of Representatives, of whom two members shall be appointed from recommendations by the Majority Leader of the House of Representatives, and two members shall be appointed from recommendations by the Minority Leader of the House of Representatives. (C) Three

members shall be appointed by the Secretary, of whom at least one member shall be a student. (2) Each member of the Advisory Committee, with the exception of the student member, shall be appointed on the basis of technical qualifications, professional experience, and demonstrated knowledge in the fields of higher education, student financial aid, financing post-secondary education, and the operations and financing of student loan guarantee agencies. (3) The appointment of a member under subparagraph (A) or (B) of paragraph (1) shall be effective upon publication of such appointment in the Congressional Record.

(d) FUNCTIONS OF THE COMMITTEE.--The Advisory Committee shall--(1) develop, review, and comment annually upon the system of needs analysis established under part F of this title; (2) monitor, apprise, and evaluate the effectiveness of student aid delivery and recommend improvements; (3) recommend data collection needs and student information requirements which would improve access and choice for eligible students under this title and assist the Department of Education in improving the delivery of student aid; (4) assess the impact of legislative and administrative policy proposals; (5) review and comment upon, prior to promulgation, all regulations affecting programs under this title, including proposed regulations; (6) recommend to the authorizing committees and to the Secretary such studies, surveys, and analyses of student financial assistance programs, policies, and practices, including the special needs of low-income, disadvantaged, and nontraditional students, and the means by which the needs may be met; (7) review and comment upon standards by which financial need is measured in determining eligibility for Federal student assistance programs; (8) appraise the adequacies and deficiencies of current student financial aid information resources and services and evaluate the effectiveness of current student aid information programs; (9) provide an annual report to the authorizing committees that provides analyses and policy recommendations regarding— (A) the adequacy of need-based grant aid for low- and moderate-income students; and (B) the postsecondary enrollment and graduation rates of low- and moderate-income students; (10) develop and maintain an information clearinghouse to help students of higher education understand the regulatory impact of the Federal Government on institutions of higher education from all sectors, in order to raise awareness of institutional legal obligations and provide information to improve compliance with, and to reduce the duplication and inefficiency of, Federal regulations; and (11) make special efforts to advise Members of Congress and such Members' staff of the findings and recommendations made pursuant to this paragraph.

(e) OPERATIONS OF THE COMMITTEE.--(1) Each member of the Advisory Committee shall be appointed for a term of 4 years, except that, of the members first appointed-- (A) 4 shall be appointed for a term of 1 year; (B) 4 shall be appointed for a term of 2 years; and (C) 3 shall be appointed for a term of 3 years, as designated at the time of appointment by the Secretary. (2) Any member appointed to fill a vacancy occurring prior to the expiration of the term of a predecessor shall be appointed only for the remainder of such term. A member of the Advisory Committee serving on the date of enactment of the Higher Education Amendments and College Opportunity Act of 2008 shall be permitted to serve the duration of the member's term, regardless of whether that member was previously appointed to more than one term. (3) No officers or full-time employees of the Federal Government shall serve as members of the Advisory Committee. (4) The Advisory Committee shall elect a Chairman and a Vice Chairman from among its members. (5) Six members of the Advisory Committee shall constitute a quorum. (6) The Advisory Committee shall meet at the call of the Chairman or a majority of its members.

(f) SUBMISSION TO DEPARTMENT FOR COMMENT.--The Advisory Committee may submit its proposed recommendations to the Department of Education for comment for a period not to exceed 30 days in each instance.

(g) COMPENSATION AND EXPENSES.-- Members of the Advisory Committee may each receive reimbursement for travel expenses incident to attending Advisory Committee meetings, including per

diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(h) PERSONNEL AND RESOURCES.--(1) The Advisory Committee may appoint such personnel as may be necessary by the Chairman without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall be paid in excess of the rate authorized for GS-18 of the General Schedule. The Advisory Committee may appoint not more than 1 full-time equivalent, nonpermanent, consultant without regard to the provisions of title 5, United States Code. The Advisory Committee shall not be required by the Secretary to reduce personnel to meet agency personnel reduction goals. (2) In carrying out its duties under the Act, the Advisory Committee shall consult with other Federal agencies, representatives of State and local governments, and private organizations to the extent feasible. (3)(A) The Advisory Committee is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this section and each such department, bureau, agency, board, commission, office, independent establishment, or instrumentality is authorized and directed, to the extent permitted by law, to furnish such information, suggestions, estimates, and statistics directly to the Advisory Committee, upon request made by the Chairman. (B) The Advisory Committee may enter into contracts for the acquisition of information, suggestions, estimates, and statistics for the purpose of this section. (4) The Advisory Committee is authorized to obtain the services of experts and consultants without regard to section 3109 of title 5, United States Code and to set pay in accordance with such section. (5) The head of each Federal agency shall, to the extent not prohibited by law, cooperate with the Advisory Committee in carrying out this section. (6) The Advisory Committee is authorized to utilize, with their consent, the services, personnel, information, and facilities of other Federal, State, local, and private agencies with or without reimbursement.

(i) AVAILABILITY OF FUNDS.--In each fiscal year not less than \$800,000, shall be available from the amount appropriated for each such fiscal year from salaries and expenses of the Department for the costs of carrying out the provisions of this section.

(j) SPECIAL ANALYSES AND ACTIVITIES.--The Advisory Committee shall-- (1) monitor and evaluate the modernization of student financial aid systems and delivery processes and simplifications, including recommendations for improvement; (2) assess the adequacy of current methods for disseminating information about programs under this title and recommend improvements, as appropriate, regarding early needs assessment and information for first-year secondary school students; (3) assess and make recommendations concerning the feasibility and degree of use of appropriate technology in the application for, and delivery and management of, financial assistance under this title, as well as policies that promote use of such technology to reduce cost and enhance service and program integrity, including electronic application and reapplication, just-in-time delivery of funds, reporting of disbursements and reconciliation; (4) conduct a review and analysis of regulations in accordance with subsection (l); and (5) conduct a study in accordance with subsection (m).

(k) TERM OF THE COMMITTEE.--Notwithstanding the sunset and charter provisions of the Federal Advisory Committee Act (5 U.S.C. App. I) or any other statute or regulation, the Advisory Committee shall be authorized until October 1, 2014.

(l) REVIEW AND ANALYSIS OF REGULATIONS. --(1) RECOMMENDATIONS.—The Advisory Committee shall make recommendations to the Secretary and the authorizing committees for consideration of future legislative action regarding redundant or outdated regulations consistent with the Secretary's requirements under section 498B. (2) REVIEW AND ANALYSIS OF REGULATIONS.—

(A) REVIEW OF CURRENT REGULATIONS.—To meet the requirements of subsection (d)(10), the Advisory Committee shall conduct a review and analysis of the regulations issued by Federal agencies that are in effect at the time of the review and that apply to the operations or activities of institutions of higher education from all sectors. The review and analysis may include a determination of whether the regulation is duplicative, is no longer necessary, is inconsistent with other Federal requirements, or is overly burdensome. In conducting the review, the Advisory Committee shall pay specific attention to evaluating ways in which regulations under this title affecting institutions of higher education (other than institutions described in section 102(a)(1)(C)), that have received in each of the two most recent award years prior to the date of enactment of Higher Education Amendments and College Opportunity Act of 2008 less than \$200,000 in funds through this title, may be improved, streamlined, or eliminated. (B) REVIEW AND COLLECTION OF FUTURE REGULATIONS.—The Advisory Committee shall— (i) monitor all Federal regulations, including notices of proposed rulemaking, for their impact or potential impact on higher education; and (ii) provide a succinct description of each regulation or proposed regulation that is generally relevant to institutions of higher education from all sectors. (C) MAINTENANCE OF PUBLIC WEBSITE.—The Advisory Committee shall develop and maintain an easy to use, searchable, and regularly updated website that—(i) provides information collected in subparagraph (B); (ii) provides an area for the experts and members of the public to provide recommendations for ways in which the regulations may be streamlined; and (iii) publishes the study conducted by the National Research Council of the National Academy of Sciences under section 1106 of the Higher Education Amendments and College Opportunity Act of 2008. (3) CONSULTATION.— (A) IN GENERAL.—In carrying out the review, analysis, and development of the website required under paragraph (2), the Advisory Committee shall consult with the Secretary, other Federal agencies, relevant representatives of institutions of higher education, individuals who have expertise and experience with Federal regulations, and the review panels described in subparagraph (B). (B) REVIEW PANELS.—The Advisory Committee shall convene not less than two review panels of representatives of the groups involved in higher education, including individuals involved in student financial assistance programs under this title, who have experience and expertise in the regulations issued by the Federal Government that affect all sectors of higher education, in order to review the regulations and to provide recommendations to the Advisory Committee with respect to the review and analysis under paragraph (2). The panels shall be made up of experts in areas such as the operations of the financial assistance programs, the institutional eligibility requirements for the financial assistance programs, regulations not directly related to the operations or the institutional eligibility requirements of the financial assistance programs, and regulations for dissemination of information to students about the financial assistance programs. (4) PERIODIC UPDATES TO THE AUTHORIZING COMMITTEES.—The Advisory Committee shall— (A) submit, not later than two years after the completion of the negotiated rulemaking process required under section 492 resulting from the amendments to this Act made by the Higher Education Amendments and College Opportunity Act of 2008, a report to the authorizing committees and the Secretary detailing the review panels’ findings and recommendations with respect to the review of regulations; and (B) provide periodic updates to the authorizing committees regarding— (i) the impact of all Federal regulations on all sectors of higher education; and (ii) suggestions provided through the website for streamlining or eliminating duplicative regulations. (5) ADDITIONAL SUPPORT.—The Secretary and the Inspector General of the Department shall provide such assistance and resources to the Advisory Committee as the Secretary and Inspector General determine are necessary to conduct the review and analysis required by this subsection.

(m) STUDY OF INNOVATIVE PATHWAYS TO BACCALAUREATE DEGREE ATTAINMENT.
--(1) STUDY REQUIRED.—The Advisory Committee shall conduct a study of the feasibility of increasing baccalaureate degree attainment rates by reducing the costs and financial barriers to attaining a baccalaureate degree through innovative programs. (2) SCOPE OF STUDY.—The Advisory Committee shall examine new and existing programs that promote baccalaureate degree attainment through innovative ways, such as dual or concurrent enrollment programs, changes made to the Federal Pell Grant

program, simplification of the needs analysis process, compressed or modular scheduling, articulation agreements, and programs that allow two-year institutions of higher education to offer baccalaureate degrees. (3) **REQUIRED ASPECTS OF THE STUDY.**—In performing the study described in this subsection, the Advisory Committee shall examine the following aspects of such innovative programs: (A) The impact of such programs on baccalaureate attainment rates. (B) The degree to which a student’s total cost of attaining a baccalaureate degree can be reduced by such programs. (C) The ways in which low- and moderate-income students can be specifically targeted by such programs. (D) The ways in which nontraditional students can be specifically targeted by such programs. (E) The cost-effectiveness for the Federal Government, States, and institutions of higher education to implement such programs. (4) **CONSULTATION.**— (A) **IN GENERAL.**—In performing the study described in this subsection, the Advisory Committee shall consult with a broad range of interested parties in higher education, including parents, students, appropriate representatives of secondary schools and institutions of higher education, appropriate State administrators, administrators of dual or concurrent enrollment programs, and appropriate Department officials. (B) **CONSULTATION WITH THE AUTHORIZING COMMITTEES.**—The Advisory Committee shall consult on a regular basis with the authorizing committees in carrying out the study required by this subsection. (5) **REPORTS TO AUTHORIZING COMMITTEES.**— (A) **INTERIM REPORT.**—The Advisory Committee shall prepare and submit to the authorizing committees and the Secretary an interim report, not later than one year after the date of enactment of the Higher Education Amendments and College Opportunity Act of 2008, describing the progress made in conducting the study required by this subsection and any preliminary findings on the topics identified under paragraph (2). (B) **FINAL REPORT.**—The Advisory Committee shall, not later than three years after the date of enactment of the Higher Education Amendments and College Opportunity Act of 2008, prepare and submit to the authorizing committees and the Secretary a final report on the study, including recommendations for legislative, regulatory, and administrative changes based on findings related to the topics identified under paragraph (2).